



House of Representatives

File No. 618

General Assembly

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(Reprint of File No. 451)

Substitute House Bill No. 5735
As Amended by House Amendment
Schedules "A" and "B"

Approved by the Legislative Commissioner
May 4, 2002

**AN ACT IMPLEMENTING RECOMMENDATIONS OF THE
LEGISLATIVE COMMISSIONERS FOR TECHNICAL REVISIONS TO
VARIOUS TAX STATUTES.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 12-407 of the general statutes, as amended by
2 section 2 of public act 01-109 and section 1 of public act 01-6 of the June
3 special session, is repealed and the following is substituted in lieu
4 thereof (*Effective January 1, 2003*):

5 (a) Whenever used in this chapter:

6 (1) "Person" means and includes any individual, firm,
7 copartnership, joint venture, association, association of persons
8 however formed, social club, fraternal organization, corporation,
9 limited liability company, foreign municipal electric utility as defined
10 in section 12-59, estate, trust, fiduciary, receiver, trustee, syndicate, the
11 United States, this state or any political subdivision thereof or any
12 group or combination acting as a unit, and any other individual or
13 officer acting under the authority of any court in this state.

14 (2) "Sale" and "selling" mean and include:

15 [(a)] (A) Any transfer of title, exchange or barter, conditional or
16 otherwise, in any manner or by any means whatsoever, of tangible
17 personal property for a consideration;

18 [(b) any] (B) Any withdrawal, except a withdrawal pursuant to a
19 transaction in foreign or interstate commerce, of tangible personal
20 property from the place where it is located for delivery to a point in
21 this state for the purpose of the transfer of title, exchange or barter,
22 conditional or otherwise, in any manner or by any means whatsoever,
23 of the property for a consideration;

24 [(c) the] (C) The producing, fabricating, processing, printing or
25 imprinting of tangible personal property for a consideration for
26 consumers who furnish either directly or indirectly the materials used
27 in the producing, fabricating, processing, printing or imprinting,
28 including, but not limited to, sign construction, photofinishing,
29 duplicating and photocopying;

30 [(d) the] (D) The furnishing and distributing of tangible personal
31 property for a consideration by social clubs and fraternal organizations
32 to their members or others;

33 [(e) the] (E) The furnishing, preparing, or serving for a consideration
34 of food, meals or drinks;

35 [(f) a] (F) A transaction whereby the possession of property is
36 transferred but the seller retains the title as security for the payment of
37 the price;

38 [(g) a] (G) A transfer for a consideration of the title of tangible
39 personal property which has been produced, fabricated or printed to
40 the special order of the customer, or of any publication, including, but
41 not limited to, sign construction, photofinishing, duplicating and
42 photocopying;

43 [(h) a] (H) A transfer for a consideration of the occupancy of any

44 room or rooms in a hotel or lodging house for a period of thirty
45 consecutive calendar days or less;

46 [(i) the] (I) The rendering of certain services, as defined in
47 subdivision (37) of this subsection, for a consideration, exclusive of
48 such services rendered by an employee for the employer; [, as follows:
49 (A) Computer and data processing services, including, but not limited
50 to, time, programming, code writing, modification of existing
51 programs, feasibility studies and installation and implementation of
52 software programs and systems even where such services are rendered
53 in connection with the development, creation or production of canned
54 or custom software or the license of custom software, and exclusive of
55 services rendered in connection with the creation, development
56 hosting or maintenance of all or part of a web site which is part of the
57 graphical, hypertext portion of the Internet, commonly referred to as
58 the World-Wide Web, (B) credit information and reporting services,
59 (C) services by employment agencies and agencies providing
60 personnel services, (D) private investigation, protection, patrol work,
61 watchman and armored car services, exclusive of services of off-duty
62 police officers and off-duty firefighters, (E) painting and lettering
63 services, (F) photographic studio services, (G) telephone answering
64 services, (H) stenographic services, (I) services to industrial,
65 commercial or income-producing real property, including, but not
66 limited to, such services as management, electrical, plumbing, painting
67 and carpentry and excluding any such services rendered in the
68 voluntary evaluation, prevention, treatment, containment or removal
69 of hazardous waste, as defined in section 22a-115, or other
70 contaminants of air, water or soil, provided income-producing
71 property shall not include property used exclusively for residential
72 purposes in which the owner resides and which contains no more than
73 three dwelling units, or a housing facility for low and moderate
74 income families and persons owned or operated by a nonprofit
75 housing organization, as defined in subsection (29) of section 12-412,
76 (J) business analysis, management, management consulting and public
77 relations services, excluding (i) any environmental consulting services,

78 and (ii) any training services provided by an institution of higher
79 education licensed or accredited by the Board of Governors of Higher
80 Education pursuant to section 10a-34, (K) services providing "piped-in"
81 music to business or professional establishments, (L) flight instruction
82 and chartering services by a certificated air carrier on an aircraft, the
83 use of which for such purposes, but for the provisions of subsection (4)
84 of section 12-410 and subsection (12) of section 12-411, would be
85 deemed a retail sale and a taxable storage or use, respectively, of such
86 aircraft by such carrier, (M) motor vehicle repair services, including
87 any type of repair, painting or replacement related to the body or any
88 of the operating parts of a motor vehicle, (N) motor vehicle parking,
89 including the provision of space, other than metered space, in a lot
90 having thirty or more spaces, excluding (i) space in a seasonal parking
91 lot provided by a person who is exempt from taxation under this
92 chapter pursuant to subsection (1), (5) or (8) of section 12-412, (ii) space
93 in a parking lot owned or leased under the terms of a lease of not less
94 than ten years' duration and operated by an employer for the exclusive
95 use of its employees, (iii) valet parking provided at any airport, and
96 (iv) space in municipally-operated railroad parking facilities in
97 municipalities located within an area of the state designated as a
98 severe nonattainment area for ozone under the federal Clean Air Act,
99 or space in a railroad parking facility in a municipality located within
100 an area of the state designated as a severe nonattainment area for
101 ozone under the federal Clean Air Act owned or operated by the state
102 on or after April 1, 2000, (O) radio or television repair services, (P)
103 furniture reupholstering and repair services, (Q) repair services to any
104 electrical or electronic device, including, but not limited to, equipment
105 used for purposes of refrigeration or air-conditioning, (R) lobbying or
106 consulting services for purposes of representing the interests of a client
107 in relation to the functions of any governmental entity or
108 instrumentality, (S) services of the agent of any person in relation to
109 the sale of any item of tangible personal property for such person,
110 exclusive of the services of a consignee selling works of art, as defined
111 in subsection (b) of section 12-376c, or articles of clothing or footwear
112 intended to be worn on or about the human body other than (i) any

113 special clothing or footwear primarily designed for athletic activity or
114 protective use and which is not normally worn except when used for
115 the athletic activity or protective use for which it was designed, and (ii)
116 jewelry, handbags, luggage, umbrellas, wallets, watches and similar
117 items carried on or about the human body but not worn on the body in
118 the manner characteristic of clothing intended for exemption under
119 subdivision (47) of section 12-412, under consignment, exclusive of
120 services provided by an auctioneer, (T) locksmith services, (U)
121 advertising or public relations services, including layout, art direction,
122 graphic design, mechanical preparation or production supervision, not
123 related to the development of media advertising or cooperative direct
124 mail advertising, (V) landscaping and horticulture services, (W)
125 window cleaning services, (X) maintenance services, (Y) janitorial
126 services, (Z) exterminating services, (AA) swimming pool cleaning and
127 maintenance services, (BB) renovation and repair services as set forth
128 in this subparagraph, to other than industrial, commercial or
129 income-producing real property: Paving of any sort, painting or
130 staining, wallpapering, roofing, siding and exterior sheet metal work,
131 (CC) miscellaneous personal services included in industry group 729
132 in the Standard Industrial Classification Manual, United States Office
133 of Management and Budget, 1987 edition, or U.S. industry 532220,
134 812191, 812199 or 812990 in the North American Industrial
135 Classification System United States Manual, United States Office of
136 Management and Budget, 1997 edition, exclusive of (i) services
137 rendered by massage therapists licensed pursuant to chapter 384a, and
138 (ii) services rendered by an electrologist licensed pursuant to chapter
139 388, (DD) any repair or maintenance service to any item of tangible
140 personal property including any contract of warranty or service related
141 to any such item, (EE) business analysis, management or managing
142 consulting services rendered by a general partner, or an affiliate
143 thereof, to a limited partnership, provided (i) that the general partner,
144 or an affiliate thereof, is compensated for the rendition of such services
145 other than through a distributive share of partnership profits or an
146 annual percentage of partnership capital or assets established in the
147 limited partnership's offering statement, and (ii) the general partner, or

148 an affiliate thereof, offers such services to others, including any other
149 partnership. As used in subparagraph (EE)(i) "an affiliate of a general
150 partner" means an entity which is directly or indirectly owned fifty per
151 cent or more in common with a general partner; and (FF)
152 notwithstanding the provisions of section 12-412, except subsection
153 (87) thereof, patient care services, as defined in subsection (29) of this
154 section by a hospital, except that "sale" and "selling" does not include
155 such patient care services rendered during the period commencing
156 July 1, 2001, and ending June 30, 2003;]

157 [(j) the] (J) The leasing or rental of tangible personal property of any
158 kind whatsoever, including, but not limited to, motor vehicles, linen or
159 towels, machinery or apparatus, office equipment and data processing
160 equipment, provided for purposes of this subdivision and the
161 application of sales and use tax to contracts of lease or rental of
162 tangible personal property, the leasing or rental of any motion picture
163 film by the owner or operator of a motion picture theater for purposes
164 of display at such theater shall not constitute a sale within the meaning
165 of this subsection;

166 [(k) the] (K) The rendering of telecommunications service, as
167 defined in [subsection] subdivision (26) of this [section] subsection, for
168 a consideration on or after January 1, 1990, exclusive of any such
169 service rendered by an employee for the employer of such employee,
170 subject to the provisions related to telecommunications service in
171 accordance with section 12-407a, as amended by this act;

172 [(l) the] (L) The rendering of community antenna television service,
173 as defined in [subsection] subdivision (27) of this [section] subsection,
174 for a consideration on or after January 1, 1990, exclusive of any such
175 service rendered by an employee for the employer of such employee;

176 [(m) the] (M) The transfer for consideration of space or the right to
177 use any space for the purpose of storage or mooring of any
178 noncommercial vessel, exclusive of dry or wet storage or mooring of
179 such vessel during the period commencing on the first day of

180 November in any year to and including the thirtieth day of April of the
181 next succeeding year;

182 [(n) the] (N) The sale for consideration of naming rights to any place
183 of amusement, entertainment or recreation within the meaning of
184 subdivision (3) of section 12-540; and

185 [(o) the] (O) The transfer for consideration of a prepaid telephone
186 calling service, as defined in [subsection] subdivision (34) of this
187 [section] subsection, and the recharge of a prepaid telephone calling
188 service, provided, if the sale or recharge of a prepaid telephone calling
189 service does not take place at the retailer's place of business and an
190 item is shipped by the retailer to the customer, the sale or recharge
191 shall be deemed to take place at the customer's shipping address, but,
192 if such sale or recharge does not take place at the retailer's place of
193 business and no item is shipped by the retailer to the customer, the sale
194 or recharge shall be deemed to take place at the customer's billing
195 address or the location associated with the customer's mobile
196 telephone number. [Wherever in this chapter reference is made to the
197 sale of tangible personal property or services, it shall be construed to
198 include sales described in this subsection, except as may be specifically
199 provided to the contrary.]

200 (3) (A) "Retail sale" or "sale at retail" means and includes a sale for
201 any purpose other than resale in the regular course of business of
202 tangible personal property or a transfer for a consideration of the
203 occupancy of any room or rooms in a hotel or lodging house for a
204 period of thirty consecutive calendar days or less, or the rendering of
205 any service described in subdivision (2) of this [section] subsection.
206 The delivery in this state of tangible personal property by an owner or
207 former owner thereof or by a factor, if the delivery is to a consumer
208 pursuant to a retail sale made by a retailer not engaged in business in
209 this state, is a retail sale in this state by the person making the delivery.
210 Such person shall include the retail selling price of the property in such
211 person's gross receipts.

212 (B) "Retail sale" or "sale at retail" does not include any sale of any
213 tangible personal property, where, no later than one hundred twenty
214 days after the original sale, the original purchaser sells or becomes
215 contractually obligated to sell such property to a retailer who is
216 contractually obligated to lease such property back to such original
217 purchaser in a lease that is taxable under this chapter or the sale of
218 such property by the original purchaser to the retailer who is
219 contractually obligated to lease such property back to such original
220 purchaser in a lease that is taxable under this chapter. If the original
221 purchaser has paid sales or use tax on the original sale of such
222 property to the original purchaser, such original purchaser may (i)
223 claim a refund of such tax under the provisions of section 12-425, upon
224 presentation of proof satisfactory to the commissioner that the mutual
225 contractual obligations described in this subparagraph were
226 undertaken no later than one hundred twenty days after the original
227 sale and that such tax was paid to the original retailer on the original
228 sale and was remitted to the commissioner by such original retailer or
229 by such original purchaser, or (ii) issue at the time of such original sale
230 or no later than one hundred twenty days thereafter a certificate, in the
231 form prescribed by the commissioner, to the original retailer certifying
232 that the mutual contractual obligations described in this subparagraph
233 have been undertaken. If such certificate is issued to the original
234 retailer at the time of the original sale, no tax on the original sale shall
235 be collected by the original retailer from the original purchaser. If the
236 certificate is issued after the time of the original sale but no later than
237 one hundred twenty days thereafter, the original retailer shall refund
238 to the original purchaser the tax collected on the original sale and, if
239 the original retailer has previously remitted the tax to the
240 commissioner, the original retailer may either treat the amount so
241 refunded as a credit against the tax due on the return next filed under
242 this chapter, or claim a refund under section 12-425. If such certificate
243 is issued no later than one hundred twenty days after the time of the
244 original sale but the tangible personal property originally purchased is
245 not, in fact, subsequently leased by the original purchaser, such
246 original purchaser shall be liable for and be required to pay the tax due

247 on the original sale.

248 (4) "Storage" includes any keeping or retention in this state for any
249 purpose except sale in the regular course of business or subsequent use
250 solely outside this state of tangible personal property purchased from
251 a retailer.

252 (5) "Use" includes the exercise of any right or power over tangible
253 personal property incident to the ownership of that property, except
254 that it does not include the sale of that property in the regular course
255 of business.

256 (6) "Storage" and "use" do not include (A) keeping, retaining or
257 exercising any right or power over tangible personal property shipped
258 or brought into this state for the purpose of subsequently transporting
259 it outside the state for use thereafter solely outside the state, or for the
260 purpose of being processed, fabricated or manufactured into, attached
261 to or incorporated into, other tangible personal property to be
262 transported outside the state and thereafter used solely outside the
263 state, or (B) keeping, retaining or exercising any right or power over
264 tangible personal property acquired by the customer of a commercial
265 printer while such property is located at the premises of the
266 commercial printer in this state pursuant to a contract with such
267 printer for printing and distribution of printed material if the
268 commercial printer could have acquired such property without
269 application of tax under this chapter.

270 (7) "Purchase" and "purchasing" means and includes: [(a)] (A) Any
271 transfer, exchange or barter, conditional or otherwise, in any manner
272 or by any means whatsoever, of tangible personal property or of the
273 occupancy of any room or rooms in a hotel or lodging house for a
274 period of thirty consecutive calendar days or less for a consideration;
275 [(b)] (B) a transaction whereby the possession of property is transferred
276 but the seller retains the title as security for the payment of the price;
277 [(c)] (C) a transfer for a consideration of tangible personal property
278 which has been produced, fabricated or printed to the special order of

279 the customer, or of any publication; [(d)] (D) when performed outside
280 this state or when the customer gives a resale certificate pursuant to
281 section 12-410, the producing, fabricating, processing, printing or
282 imprinting of tangible personal property for a consideration for
283 consumers who furnish either directly or indirectly the materials used
284 in the producing, fabricating, processing, printing or imprinting; [(e)]
285 (E) the acceptance or receipt of any service described in any of the
286 [subdivisions of subsection] subparagraphs of subdivision (2) of this
287 [section; (f)] subsection; (F) any leasing or rental of tangible personal
288 property. Wherever in this chapter reference is made to the purchase
289 or purchasing of tangible personal property, it shall be construed to
290 include purchases as described in this subsection.

291 (8) (A) "Sales price" means the total amount for which tangible
292 personal property is sold by a retailer, the total amount of rent for
293 which occupancy of a room is transferred by an operator, the total
294 amount for which any service described in [subsection] subdivision (2)
295 of this [section] subsection is rendered by a retailer or the total amount
296 of payment or periodic payments for which tangible personal property
297 is leased by a retailer, valued in money, whether paid in money or
298 otherwise, which amount is due and owing to the retailer or operator
299 and, subject to the provisions of [subsection] subdivision (1) of section
300 12-408, as amended by this act, whether or not actually received by the
301 retailer or operator, without any deduction on account of any of the
302 following: (i) The cost of the property sold; (ii) the cost of materials
303 used, labor or service cost, interest charged, losses or any other
304 expenses; (iii) for any sale occurring on or after July 1, 1993, any
305 charges by the retailer to the purchaser for shipping or delivery,
306 notwithstanding whether such charges are separately stated in a
307 written contract, or on a bill or invoice rendered to such purchaser or
308 whether such shipping or delivery is provided by the retailer or a third
309 party. The provisions of subparagraph (A) (iii) of this subdivision shall
310 not apply to any item exempt from taxation pursuant to section 12-412,
311 as amended by this act. Such total amount includes any services that
312 are a part of the sale; except as otherwise provided in subparagraph

313 (B)(v) or (B)(vi) of this [subsection] subdivision, any amount for which
314 credit is given to the purchaser by the retailer, and all compensation
315 and all employment-related expenses, whether or not separately
316 stated, paid to or on behalf of employees of a retailer of any service
317 described in [subsection] subdivision (2) of this [section] subsection.
318 (B) "Sales price" does not include any of the following: (i) Cash
319 discounts allowed and taken on sales; (ii) any portion of the amount
320 charged for property returned by purchasers, which upon rescission of
321 the contract of sale is refunded either in cash or credit, provided the
322 property is returned within ninety days from the date of purchase; (iii)
323 the amount of any tax, not including any manufacturers' or importers'
324 excise tax, imposed by the United States upon or with respect to retail
325 sales whether imposed upon the retailer or the purchaser; (iv) the
326 amount charged for labor rendered in installing or applying the
327 property sold, provided such charge is separately stated and exclusive
328 of such charge for any service rendered within the purview of
329 subparagraph (I) of [subdivision (i) of subsection (2)] subdivision (37)
330 of this [section] subsection; (v) unless the provisions of [subsection]
331 subdivision (4) of section 12-430 or of section 12-430a are applicable,
332 any amount for which credit is given to the purchaser by the retailer,
333 provided such credit is given solely for property of the same kind
334 accepted in part payment by the retailer and intended by the retailer to
335 be resold; (vi) the full face value of any coupon used by a purchaser to
336 reduce the price paid to a retailer for an item of tangible personal
337 property, whether or not the retailer will be reimbursed for such
338 coupon, in whole or in part, by the manufacturer of the item of
339 tangible personal property or by a third party; (vii) the amount
340 charged for separately stated compensation, fringe benefits, workers'
341 compensation and payroll taxes or assessments paid to or on behalf of
342 employees of a retailer who has contracted to manage a service
343 recipient's property or business premises and renders management
344 services described in [subdivision (i) of subsection (2) of this section]
345 subparagraph (I) of subdivision (37) of this subsection, provided, the
346 employees perform such services solely for the service recipient at its
347 property or business premises and "sales price" shall include the

348 separately stated compensation, fringe benefits, workers'
349 compensation and payroll taxes or assessments paid to or on behalf of
350 any employee of the retailer who is an officer, director or owner of
351 more than five per cent of the outstanding capital stock of the retailer.
352 Determination whether an employee performs services solely for a
353 service recipient at its property or business premises for purposes of
354 this subdivision shall be made by reference to such employee's
355 activities during the time period beginning on the later of the
356 commencement of the management contract, the date of the
357 employee's first employment by the retailer or the date which is six
358 months immediately preceding the date of such determination; (viii)
359 the amount charged for separately stated compensation, fringe
360 benefits, workers' compensation and payroll taxes or assessments paid
361 to or on behalf of (I) a leased employee, or (II) a worksite employee by
362 a professional employer organization pursuant to a professional
363 employer agreement. For purposes of this subparagraph, an employee
364 shall be treated as a leased employee if the employee is provided to the
365 client at the commencement of an agreement with an employee leasing
366 organization under which at least seventy-five per cent of the
367 employees provided to the client at the commencement of such initial
368 agreement qualify as leased employees pursuant to Section 414(n) of
369 the Internal Revenue Code of 1986, or any subsequent corresponding
370 internal revenue code of the United States, as from time to time
371 amended, or the employee is added to the client's workforce by the
372 employee leasing organization subsequent to the commencement of
373 such initial agreement and qualifies as a leased employee pursuant to
374 Section 414(n) of said Internal Revenue Code of 1986 without regard to
375 subparagraph (B) of paragraph (2) thereof. A leased employee, or a
376 worksite employee subject to a professional employer agreement, shall
377 not include any employee who is hired by a temporary help service
378 and assigned to support or supplement the workforce of a temporary
379 help service's client; and (ix) any amount received by a retailer from a
380 purchaser as the battery deposit that is required to be paid under
381 subsection (a) of section 22a-245h; the refund value of a beverage
382 container that is required to be paid under subsection (a) of section

383 22a-244; or a deposit that is required by law to be paid by the
384 purchaser to the retailer and that is required by law to be refunded to
385 the purchaser by the retailer when the same or similar tangible
386 personal property is delivered as required by law to the retailer by the
387 purchaser, if such amount is separately stated on the bill or invoice
388 rendered by the retailer to the purchaser.

389 (9) (A) "Gross receipts" means the total amount of the sales price
390 from retail sales of tangible personal property by a retailer, the total
391 amount of the rent from transfers of occupancy of rooms by an
392 operator, the total amount of the sales price from retail sales of any
393 service described in [subsection] subdivision (2) of this [section]
394 subsection by a retailer of services, or the total amount of payment or
395 periodic payments from leases or rentals of tangible personal property
396 by a retailer, valued in money, whether received in money or
397 otherwise, which amount is due and owing to the retailer or operator
398 and, subject to the provisions of [subsection] subdivision (1) of section
399 12-408, as amended by this act, whether or not actually received by the
400 retailer or operator, without any deduction on account of any of the
401 following: (i) The cost of the property sold; however, in accordance
402 with such regulations as the Commissioner of Revenue Services may
403 prescribe, a deduction may be taken if the retailer has purchased
404 property for some other purpose than resale, has reimbursed [his] the
405 retailer's vendor for tax which the vendor is required to pay to the
406 state or has paid the use tax with respect to the property, and has
407 resold the property prior to making any use of the property other than
408 retention, demonstration or display while holding it for sale in the
409 regular course of business. If such a deduction is taken by the retailer,
410 no refund or credit will be allowed to [his] the retailer's vendor with
411 respect to the sale of the property; (ii) the cost of the materials used,
412 labor or service cost, interest paid, losses or any other expense; (iii) for
413 any sale occurring on or after July 1, 1993, except for any item exempt
414 from taxation pursuant to section 12-412, as amended by this act, any
415 charges by the retailer to the purchaser for shipping or delivery,
416 notwithstanding whether such charges are separately stated in the

417 written contract, or on a bill or invoice rendered to such purchaser or
418 whether such shipping or delivery is provided by the retailer or a third
419 party. The total amount of the sales price includes any services that are
420 a part of the sale; all receipts, cash, credits and property of any kind;
421 except as otherwise provided in subparagraph (B)(v) or (B)(vi) of this
422 [subsection] subdivision, any amount for which credit is allowed by
423 the retailer to the purchaser; and all compensation and all
424 employment-related expenses, whether or not separately stated, paid
425 to or on behalf of employees of a retailer of any service described in
426 [subsection] subdivision (2) of this [section] subsection. (B) "Gross
427 receipts" do not include any of the following: (i) Cash discounts
428 allowed and taken on sales; (ii) any portion of the sales price of
429 property returned by purchasers, which upon rescission of the contract
430 of sale is refunded either in cash or credit, provided the property is
431 returned within ninety days from the date of sale; (iii) the amount of
432 any tax, not including any manufacturers' or importers' excise tax,
433 imposed by the United States upon or with respect to retail sales
434 whether imposed upon the retailer or the purchaser; (iv) the amount
435 charged for labor rendered in installing or applying the property sold,
436 provided such charge is separately stated and exclusive of such charge
437 for any service rendered within the purview of subparagraph (I) of
438 [subdivision (i) of subsection (2) of this section] subdivision (37) of this
439 subsection; (v) unless the provisions of [subsection] subdivision (4) of
440 section 12-430 or of section 12-430a are applicable, any amount for
441 which credit is given to the purchaser by the retailer, provided such
442 credit is given solely for property of the same kind accepted in part
443 payment by the retailer and intended by the retailer to be resold; (vi)
444 the full face value of any coupon used by a purchaser to reduce the
445 price paid to the retailer for an item of tangible personal property,
446 whether or not the retailer will be reimbursed for such coupon, in
447 whole or in part, by the manufacturer of the item of tangible personal
448 property or by a third party; (vii) the amount charged for separately
449 stated compensation, fringe benefits, workers' compensation and
450 payroll taxes or assessments paid to or on behalf of employees of a
451 retailer who has contracted to manage a service recipient's property or

452 business premises and renders management services described in
453 [subdivision (i) of subsection (2) of this section] subparagraph (I) of
454 subdivision (37) of this subsection, provided the employees perform
455 such services solely for the service recipient at its property or business
456 premises and "gross receipts" shall include the separately stated
457 compensation, fringe benefits, workers' compensation and payroll
458 taxes or assessments paid to or on behalf of any employee of the
459 retailer who is an officer, director or owner of more than five per cent
460 of the outstanding capital stock of the retailer. Determination whether
461 an employee performs services solely for a service recipient at its
462 property or business premises for purposes of this subdivision shall be
463 made by reference to such employee's activities during the time period
464 beginning on the later of the commencement of the management
465 contract, the date of the employee's first employment by the retailer or
466 the date which is six months immediately preceding the date of such
467 determination; (viii) the amount charged for separately stated
468 compensation, fringe benefits, workers' compensation and payroll
469 taxes or assessments paid to or on behalf of (I) a leased employee, or
470 (II) a worksite employee by a professional employer organization
471 pursuant to a professional employer agreement. For purposes of this
472 subparagraph, an employee shall be treated as a leased employee if the
473 employee is provided to the client at the commencement of an
474 agreement with an employee leasing organization under which at least
475 seventy-five per cent of the employees provided to the client at the
476 commencement of such initial agreement qualify as leased employees
477 pursuant to Section 414(n) of the Internal Revenue Code of 1986, or
478 any subsequent corresponding internal revenue code of the United
479 States, as from time to time amended, or the employee is added to the
480 client's workforce by the employee leasing organization subsequent to
481 the commencement of such initial agreement and qualifies as a leased
482 employee pursuant to Section 414(n) of said Internal Revenue Code of
483 1986 without regard to subparagraph (B) of paragraph (2) thereof. A
484 leased employee, or a worksite employee subject to a professional
485 employer agreement, shall not include any employee who is hired by a
486 temporary help service and assigned to support or supplement the

487 workforce of a temporary help service's client; and (ix) the amount
488 received by a retailer from a purchaser as the battery deposit that is
489 required to be paid under subsection (a) of section 22a-256h; the
490 refund value of a beverage container that is required to be paid under
491 subsection (a) of section 22a-244 or a deposit that is required by law to
492 be paid by the purchaser to the retailer and that is required by law to
493 be refunded to the purchaser by the retailer when the same or similar
494 tangible personal property is delivered as required by law to the
495 retailer by the purchaser, if such amount is separately stated on the bill
496 or invoice rendered by the retailer to the purchaser.

497 (10) "Business" includes any activity engaged in by any person or
498 caused to be engaged in by [him] any person with the object of gain,
499 benefit or advantage, either direct or indirect.

500 (11) "Seller" includes every person engaged in the business of selling
501 tangible personal property or rendering any service described in any of
502 the [subdivisions of subsection] subparagraphs of subdivision (2) of
503 this [section] subsection, the gross receipts from the retail sale of which
504 are required to be included in the measure of the sales tax and every
505 operator as defined in [subsection] subdivision (18) of this [section]
506 subsection.

507 (12) "Retailer" includes: (A) Every person engaged in the business of
508 making sales at retail or in the business of making retail sales at
509 auction of tangible personal property owned by the person or others;
510 (B) every person engaged in the business of making sales for storage,
511 use or other consumption or in the business of making sales at auction
512 of tangible personal property owned by the person or others for
513 storage, use or other consumption; (C) every operator, as defined in
514 [subsection] subdivision (18) of this [section] subsection; (D) every
515 seller rendering any service described in [subsection] subdivision (2) of
516 this [section] subsection; (E) every person under whom any salesman,
517 representative, peddler or canvasser operates in this state, or from
518 whom such salesman, representative, peddler or canvasser obtains the
519 tangible personal property that is sold; (F) every person with whose

520 assistance any seller is enabled to solicit orders within this state; (G)
521 every person making retail sales from outside this state to a destination
522 within this state and not maintaining a place of business in this state
523 who engages in regular or systematic solicitation of sales of tangible
524 personal property in this state (i) by the display of advertisements on
525 billboards or other outdoor advertising in this state, (ii) by the
526 distribution of catalogs, periodicals, advertising flyers or other
527 advertising by means of print, radio or television media, or (iii) by
528 mail, telegraphy, telephone, computer data base, cable, optic,
529 microwave or other communication system, for the purpose of
530 effecting retail sales of tangible personal property, provided such
531 person has made one hundred or more retail sales from outside this
532 state to destinations within this state during the twelve-month period
533 ended on the September thirtieth immediately preceding the monthly
534 or quarterly period with respect to which such person's liability for tax
535 under this chapter is determined; (H) any person owned or controlled,
536 either directly or indirectly, by a retailer engaged in business in this
537 state which is the same as or similar to the line of business in which
538 such person so owned or controlled is engaged; (I) any person owned
539 or controlled, either directly or indirectly, by the same interests that
540 own or control, either directly or indirectly, a retailer engaged in
541 business in this state which is the same as or similar to the line of
542 business in which such person so owned or controlled is engaged; (J)
543 any assignee of a person engaged in the business of leasing tangible
544 personal property to others, where leased property of such person
545 which is subject to taxation under this chapter is situated within this
546 state and such assignee has a security interest, as defined in subsection
547 (37) of section 42a-1-201, as amended, in such property; and (K) every
548 person making retail sales of items of tangible personal property from
549 outside this state to a destination within this state and not maintaining
550 a place of business in this state who repairs or services such items,
551 under a warranty, in this state, either directly or indirectly through an
552 agent, independent contractor or subsidiary.

553 (13) "Tangible personal property" means personal property which

554 may be seen, weighed, measured, felt or touched or which is in any
555 other manner perceptible to the senses including canned or prewritten
556 computer software. Tangible personal property includes the
557 distribution, generation or transmission of electricity.

558 (14) "In this state" or "in the state" means within the exterior limits of
559 the state of Connecticut and includes all territory within these limits
560 owned by or ceded to the United States of America.

561 (15) (A) "Engaged in business in the state" means and includes but
562 shall not be limited to the following acts or methods of transacting
563 business: (i) Selling in this state, or any activity in this state in
564 connection with selling in this state, tangible personal property for use,
565 storage or consumption within the state; (ii) engaging in the transfer
566 for a consideration of the occupancy of any room or rooms in a hotel or
567 lodging house for a period of thirty consecutive calendar days or less;
568 (iii) rendering in this state any service described in any of the
569 [subdivisions of subsection] subparagraphs of subdivision (2) of this
570 [section] subsection; (iv) maintaining, occupying or using,
571 permanently or temporarily, directly or indirectly, through a
572 subsidiary or agent, by whatever name called, [of] any office, place of
573 distribution, sales or sample room or place, warehouse or storage point
574 or other place of business or having any representative, agent,
575 salesman, canvasser or solicitor operating in this state for the purpose
576 of selling, delivering or taking orders; (v) notwithstanding the fact that
577 retail sales are made from outside this state to a destination within this
578 state and that a place of business is not maintained in this state,
579 engaging in regular or systematic solicitation of sales of tangible
580 personal property in this state by the display of advertisements on
581 billboards or other outdoor advertising in this state, by the distribution
582 of catalogs, periodicals, advertising flyers or other advertising by
583 means of print, radio or television media, or by mail, telegraphy,
584 telephone, computer data base, cable, optic, microwave or other
585 communication system, for the purpose of effecting retail sales of
586 tangible personal property, provided one hundred or more retail sales
587 from outside this state to destinations within this state are made

588 during the twelve-month period ended on the September thirtieth
589 immediately preceding the monthly or quarterly period with respect to
590 which liability for tax under this chapter is determined; (vi) being
591 owned or controlled, either directly or indirectly, by a retailer engaged
592 in business in this state which is the same as or similar to the line of
593 business in which the retailer so owned or controlled is engaged; (vii)
594 being owned or controlled, either directly or indirectly, by the same
595 interests that own or control, either directly or indirectly, a retailer
596 engaged in business in this state which is the same as or similar to the
597 line of business in which the retailer so owned or controlled is
598 engaged; (viii) being the assignee of a person engaged in the business
599 of leasing tangible personal property to others, where leased property
600 of such person is situated within this state and such assignee has a
601 security interest, as defined in subsection (37) of section 42a-1-201, as
602 amended, in such property; and (ix) notwithstanding the fact that
603 retail sales of items of tangible personal property are made from
604 outside this state to a destination within this state and that a place of
605 business is not maintained in this state, repairing or servicing such
606 items, under a warranty, in this state, either directly or indirectly
607 through an agent, independent contractor or subsidiary.

608 (B) A retailer who has contracted with a commercial printer for
609 printing and distribution of printed material shall not be deemed to be
610 engaged in business in this state because of the ownership or leasing
611 by the retailer of tangible or intangible personal property located at the
612 premises of the commercial printer in this state, the sale by the retailer
613 of property of any kind produced or processed at and shipped or
614 distributed from the premises of the commercial printer in this state,
615 the activities of the retailer's employees or agents at the premises of the
616 commercial printer in this state, which activities relate to quality
617 control, distribution or printing services performed by the printer, or
618 the activities of any kind performed by the commercial printer in this
619 state for or on behalf of the retailer.

620 (C) A retailer not otherwise a retailer engaged in business in the
621 state who purchases fulfillment services carried on in this state by a

622 person other than an affiliated person, or who owns tangible personal
623 property located on the premises of an unaffiliated person performing
624 fulfillment services for such retailer shall not be deemed to be engaged
625 in business in the state. For purposes of this subparagraph, persons are
626 affiliated persons with respect to each other where one of such persons
627 has an ownership interest of more than five per cent, whether direct or
628 indirect, in the other, or where an ownership interest of more than five
629 per cent, whether direct or indirect, is held in each of such persons by
630 another person or by a group of other persons who are affiliated
631 persons with respect to each other. For purposes of this subparagraph,
632 "fulfillment services" means services that are performed by a person on
633 its premises on behalf of a purchaser of such services and that involve
634 the receipt of orders from the purchaser of such services or an agent
635 thereof, which orders are to be filled by the person from an inventory
636 of products that are offered for sale by the purchaser of such services,
637 and the shipment of such orders to customers of the purchaser of such
638 services.

639 (16) "Hotel" means any building regularly used and kept open as
640 such for the feeding and lodging of guests where any person who
641 conducts himself properly and who is able and ready to pay for such
642 services is received if there are accommodations for [him] such person
643 and which derives the major portion of its operating receipts from the
644 renting of rooms and the sale of food. "Hotel" shall include any
645 apartment hotel wherein apartments are rented for fixed periods of
646 time, furnished or unfurnished, while the keeper of such hotel supplies
647 food to the occupants thereof, if required.

648 (17) "Lodging house" means any building or portion of a building,
649 other than a hotel or apartment hotel, in which persons are lodged for
650 hire with or without meals, including, but not limited to, any motel,
651 motor court, motor inn, tourist court or similar accommodation;
652 provided the terms "hotel", "apartment hotel" and "lodging house"
653 shall not be construed to include: [(a)] (A) Privately owned and
654 operated convalescent homes, residential care homes, homes for the
655 infirm, indigent or chronically ill; [(b)] (B) religious or charitable homes

656 for the aged, infirm, indigent or chronically ill; [(c)] (C) privately
657 owned and operated summer camps for children; [(d)] (D) summer
658 camps for children operated by religious or charitable organizations;
659 [(e)] (E) lodging accommodations at educational institutions; or [(f)] (F)
660 lodging accommodations at any facility operated by and in the name
661 of any nonprofit charitable organization, provided the income from
662 such lodging accommodations at such facility is not subject to federal
663 income tax.

664 (18) "Operator" means any person operating a hotel or lodging
665 house in the state, including, but not limited to, the owner or
666 proprietor of such premises, lessee, sublessee, mortgagee in
667 possession, licensee or any other person otherwise operating such
668 hotel or lodging house.

669 (19) "Occupancy" means the use or possession, or the right to the
670 use or possession, of any room or rooms in a hotel or lodging house or
671 the right to the use or possession of the furnishings or the services and
672 accommodations accompanying the use and possession of such room
673 or rooms, for the first period of not exceeding thirty consecutive
674 calendar days.

675 (20) "Room" means any room or rooms of any kind in any part or
676 portion of a hotel or lodging house let out for use or possession for
677 lodging purposes.

678 (21) "Rent" means the consideration received for occupancy valued
679 in money, whether received in money or otherwise, including all
680 receipts, cash, credits and property or services of any kind or nature,
681 and also any amount for which credit is allowed by the operator to the
682 occupant, without any deduction therefrom whatsoever.

683 (22) "Certificated air carrier" means a person issued a certificate or
684 certificates by the Federal Aviation Administration pursuant to Title
685 14, Chapter I, Subchapter G, Part 121, 135, 139 or 141 of the Code of
686 Federal Regulations or the Civil Aeronautics Board pursuant to Title
687 14, Chapter II, Subchapter A, Parts 201 to 208, inclusive, and 298 of the

688 Code of Federal Regulations, as such regulations may hereafter be
689 amended or reclassified.

690 (23) "Aircraft" means aircraft, as the term is defined in section 15-34.

691 (24) "Vessel" means vessel, as the term is defined in section 15-127.

692 (25) "Licensed marine dealer" means a marine dealer, as the term is
693 defined in section 15-141, who has been issued a marine dealer's
694 certificate by the Commissioner of Environmental Protection.

695 (26) [(a)] (A) "Telecommunications service" means the transmission
696 of any interactive electromagnetic communications including but not
697 limited to voice, image, data and any other information, by means of
698 but not limited to wire, cable, including fiber optical cable, microwave,
699 radio wave or any combinations of such media, and the leasing of any
700 such service. "Telecommunications service" includes, but is not limited
701 to, basic telephone service, including any facility or service provided in
702 connection with such basic telephone service, toll telephone service
703 and teletypewriter or computer exchange service, including but not
704 limited to residential and business service, directory assistance, two-
705 way cable television service, cellular mobile telephone or
706 telecommunication service, specialized mobile radio and pagers and
707 paging service, including any form of mobile two-way communication.
708 "Telecommunications service" does not include [(1)] (i) nonvoice
709 services in which computer processing applications are used to act on
710 the information to be transmitted, [(2)] (ii) any one-way radio or
711 television broadcasting transmission, [(3)] (iii) any telecommunications
712 service [(A)] (I) rendered by a company in control of such service when
713 rendered for private use within its organization, [(B)] or (II) used,
714 allocated or distributed by a company within its organization,
715 including in such organization affiliates, as defined in section 33-840,
716 for the purpose of conducting business transactions of the organization
717 if such service is purchased or leased from a company rendering
718 telecommunications service and such purchase or lease is subject to tax
719 under this chapter, and [(4)] (iv) access or interconnection service

720 purchased by a provider of telecommunications service from another
721 provider of such service for purposes of rendering such service,
722 provided the purchaser submits to the seller a certificate attesting to
723 the applicability of this exclusion, upon receipt of which the seller is
724 relieved of any tax liability for such sale so long as the certificate is
725 taken in good faith by the seller.

726 [(b)] (B) For purposes of the tax imposed under this chapter [(1)] (i)
727 gross receipts from the rendering of telecommunications service shall
728 include any subscriber line charge or charges as required by the
729 Federal Communications Commission and any charges for access
730 service collected by any person rendering such service unless
731 otherwise excluded from such gross receipts under this chapter; [(2)]
732 (ii) gross receipts from the rendering of telecommunications service
733 shall not include any local charge for calls from public or semipublic
734 telephones; and [(3)] (iii) gross receipts from the rendering of
735 telecommunications service shall not include any charge for calls
736 purchased using a prepaid telephone calling service, as defined in
737 [subsection] subdivision (34) of this [section] subsection.

738 (27) "Community antenna television service" means [(1)] (A) the
739 one-way transmission to subscribers of video programming or
740 information by cable, fiber optics, satellite, microwave or any other
741 means, and subscriber interaction, if any, which is required for the
742 selection of such video programming or information, and [(2)] (B)
743 noncable communications service, as defined in section 16-1, as
744 amended.

745 (28) "Hospital" means a hospital included within the definition of
746 health care facilities or institutions under section 19a-630 and licensed
747 as a short-term general hospital by the Department of Public Health
748 but, does not include (A) any hospital which, on January 30, 1997, is
749 within the class of hospitals licensed by the department as children's
750 general hospitals, or (B) a short-term acute hospital operated
751 exclusively by the state other than a short-term acute hospital operated
752 by the state as a receiver pursuant to chapter 920.

753 (29) "Patient care services" means therapeutic and diagnostic
754 medical services provided by the hospital to inpatients and outpatients
755 including tangible personal property transferred in connection with
756 such services.

757 (30) "Another state" or "other state" means any state of the United
758 States or the District of Columbia excluding the state of Connecticut.

759 (31) "Professional employer agreement" means a written contract
760 between a professional employer organization and a service recipient
761 whereby the professional employer organization agrees to provide at
762 least seventy-five per cent of the employees at the service recipient's
763 worksite, which contract provides that such worksite employees are
764 intended to be permanent employees rather than temporary
765 employees, and employer responsibilities for such worksite
766 employees, including hiring, firing and disciplining, are allocated
767 between the professional employer organization and the service
768 recipient.

769 (32) "Professional employer organization" means any person that
770 enters into a professional employer agreement with a service recipient
771 whereby the professional employer organization agrees to provide at
772 least seventy-five per cent of the employees at the service recipient's
773 worksite.

774 (33) "Worksite employee" means an employee, the employer
775 responsibilities for which, including hiring, firing and disciplining, are
776 allocated, under a professional employer agreement, between a
777 professional employer organization and a service recipient.

778 (34) "Prepaid telephone calling service" means the right to
779 exclusively purchase telecommunications service, that must be paid for
780 in advance and that enables the origination of calls using an access
781 number or authorization code, or both, whether manually or
782 electronically dialed, provided the remaining amount of units of
783 service that have been prepaid shall be known on a continuous basis.

784 (35) "Canned or prewritten software" means all software, other than
785 custom software, that is held or existing for general or repeated sale,
786 license or lease. Software initially developed as custom software for in-
787 house use and subsequently sold, licensed or leased to unrelated third
788 parties shall be considered canned or prewritten software.

789 (36) "Custom software" means a computer program prepared to the
790 special order of a single customer.

791 (37) "Services" for purposes of subdivision (2) of this subsection,
792 means:

793 (A) Computer and data processing services, including, but not
794 limited to, time, programming, code writing, modification of existing
795 programs, feasibility studies and installation and implementation of
796 software programs and systems even where such services are rendered
797 in connection with the development, creation or production of canned
798 or custom software or the license of custom software, and exclusive of
799 services rendered in connection with the creation, development
800 hosting or maintenance of all or part of a web site which is part of the
801 graphical, hypertext portion of the Internet, commonly referred to as
802 the World Wide Web;

803 (B) Credit information and reporting services;

804 (C) Services by employment agencies and agencies providing
805 personnel services;

806 (D) Private investigation, protection, patrol work, watchman and
807 armored car services, exclusive of services of off-duty police officers
808 and off-duty firefighters;

809 (E) Painting and lettering services;

810 (F) Photographic studio services;

811 (G) Telephone answering services;

812 (H) Stenographic services;

813 (I) Services to industrial, commercial or income-producing real
814 property, including, but not limited to, such services as management,
815 electrical, plumbing, painting and carpentry and excluding any such
816 services rendered in the voluntary evaluation, prevention, treatment,
817 containment or removal of hazardous waste, as defined in section
818 22a-115, or other contaminants of air, water or soil, provided
819 income-producing property shall not include property used
820 exclusively for residential purposes in which the owner resides and
821 which contains no more than three dwelling units, or a housing facility
822 for low and moderate income families and persons owned or operated
823 by a nonprofit housing organization, as defined in subdivision (29) of
824 section 12-412;

825 (J) Business analysis, management, management consulting and
826 public relations services, excluding (i) any environmental consulting
827 services, and (ii) any training services provided by an institution of
828 higher education licensed or accredited by the Board of Governors of
829 Higher Education pursuant to section 10a-34;

830 (K) Services providing "piped-in" music to business or professional
831 establishments;

832 (L) Flight instruction and chartering services by a certificated air
833 carrier on an aircraft, the use of which for such purposes, but for the
834 provisions of subdivision (4) of section 12-410 and subdivision (12) of
835 section 12-411, would be deemed a retail sale and a taxable storage or
836 use, respectively, of such aircraft by such carrier;

837 (M) Motor vehicle repair services, including any type of repair,
838 painting or replacement related to the body or any of the operating
839 parts of a motor vehicle;

840 (N) Motor vehicle parking, including the provision of space, other
841 than metered space, in a lot having thirty or more spaces, excluding (i)
842 space in a seasonal parking lot provided by a person who is exempt

843 from taxation under this chapter pursuant to subdivision (1), (5) or (8)
844 of section 12-412, (ii) space in a parking lot owned or leased under the
845 terms of a lease of not less than ten years' duration and operated by an
846 employer for the exclusive use of its employees, (iii) valet parking
847 provided at any airport, and (iv) space in municipally-operated
848 railroad parking facilities in municipalities located within an area of
849 the state designated as a severe nonattainment area for ozone under
850 the federal Clean Air Act or space in a railroad parking facility in a
851 municipality located within an area of the state designated as a severe
852 nonattainment area for ozone under the federal Clean Air Act owned
853 or operated by the state on or after April 1, 2000;

854 (O) Radio or television repair services;

855 (P) Furniture reupholstering and repair services;

856 (Q) Repair services to any electrical or electronic device, including,
857 but not limited to, equipment used for purposes of refrigeration or
858 air-conditioning;

859 (R) Lobbying or consulting services for purposes of representing the
860 interests of a client in relation to the functions of any governmental
861 entity or instrumentality;

862 (S) Services of the agent of any person in relation to the sale of any
863 item of tangible personal property for such person, exclusive of the
864 services of a consignee selling works of art, as defined in subsection (b)
865 of section 12-376c, or articles of clothing or footwear intended to be
866 worn on or about the human body other than (i) any special clothing
867 or footwear primarily designed for athletic activity or protective use
868 and which is not normally worn except when used for the athletic
869 activity or protective use for which it was designed, and (ii) jewelry,
870 handbags, luggage, umbrellas, wallets, watches and similar items
871 carried on or about the human body but not worn on the body in the
872 manner characteristic of clothing intended for exemption under
873 subdivision (47) of section 12-412, under consignment, exclusive of
874 services provided by an auctioneer;

- 875 (T) Locksmith services;
- 876 (U) Advertising or public relations services, including layout, art
877 direction, graphic design, mechanical preparation or production
878 supervision, not related to the development of media advertising or
879 cooperative direct mail advertising;
- 880 (V) Landscaping and horticulture services;
- 881 (W) Window cleaning services;
- 882 (X) Maintenance services;
- 883 (Y) Janitorial services;
- 884 (Z) Exterminating services;
- 885 (AA) Swimming pool cleaning and maintenance services;
- 886 (BB) Miscellaneous personal services included in industry group 729
887 in the Standard Industrial Classification Manual, United States Office
888 of Management and Budget, 1987 edition, or U.S. industry 532220,
889 812191, 812199 or 812990 in the North American Industrial
890 Classification System United States Manual, United States Office of
891 Management and Budget, 1997 edition, exclusive of (i) services
892 rendered by massage therapists licensed pursuant to chapter 384a, and
893 (ii) services rendered by an electrologist licensed pursuant to chapter
894 388;
- 895 (CC) Any repair or maintenance service to any item of tangible
896 personal property including any contract of warranty or service related
897 to any such item;
- 898 (DD) Business analysis, management or managing consulting
899 services rendered by a general partner, or an affiliate thereof, to a
900 limited partnership, provided (i) the general partner, or an affiliate
901 thereof, is compensated for the rendition of such services other than
902 through a distributive share of partnership profits or an annual

903 percentage of partnership capital or assets established in the limited
904 partnership's offering statement, and (ii) the general partner, or an
905 affiliate thereof, offers such services to others, including any other
906 partnership. As used in this subparagraph "an affiliate of a general
907 partner" means an entity which is directly or indirectly owned fifty per
908 cent or more in common with a general partner; and

909 (EE) Notwithstanding the provisions of section 12-412, as amended
910 by this act, except subdivision (87) of said section 12-412, patient care
911 services, as defined in subdivision (29) of this subsection by a hospital,
912 except that "sale" and "selling" does not include such patient care
913 services for which payment is received by the hospital during the
914 period commencing July 1, 2001, and ending June 30, 2003.

915 (b) Wherever in this chapter reference is made to the sale of tangible
916 personal property or services, it shall be construed to include sales
917 described in subdivision (2) of subsection (a) of this section, except as
918 may be specifically provided to the contrary.

919 Sec. 2. Subsection (a) of section 12-407a of the general statutes, as
920 amended by section 71 of public act 01-6 of the June special session, is
921 repealed and the following is substituted in lieu thereof (*Effective*
922 *October 1, 2002*):

923 (a) Except as otherwise provided in subsections (b) and (c) of this
924 section, the rendering of telecommunications service shall be subject to
925 tax under this chapter as a sale, for purposes of [subdivision (k) of
926 subsection (2)] subparagraph (K) of subdivision (2) of subsection (a) of
927 section 12-407, as amended by this act, when such service is (1) (A)
928 originated in this state and terminated in this state, (B) originated in
929 this state and terminated outside this state and with respect to which
930 such service is charged to a telephone number, customer or account
931 located in this state or to the account of any transmission instrument in
932 this state, or (C) originated outside this state and terminated in this
933 state and with respect to which such service is charged to a telephone
934 number, customer or account located in this state or to the account of

935 any transmission instrument in this state, or (2) rendered by providing
936 a private interstate telecommunications line on which the customer for
937 such line has two or more locations connected to such line and the
938 charges for which are related to (A) the number of customer locations
939 connected to such line in this state, (B) the distance between customer
940 locations connected to such line in this state, and (C) a portion of such
941 line determined by a ratio, the numerator of which is the number of air
942 miles between the state border and the denominator of which is the
943 number of air miles between said closest connection to the state border
944 in this state and the customer location connected to such line which is
945 closest to the state border outside this state.

946 Sec. 3. Section 12-407c of the general statutes, as amended by section
947 64 of public act 01-6 of the June special session, is repealed and the
948 following is substituted in lieu thereof (*Effective October 1, 2002*):

949 If any person described in subparagraph (E) of [subsection (12)]
950 subdivision (12) of subsection (a) of section 12-407, as amended by this
951 act, is acting in concert with any person described in subparagraph (F)
952 of said [subsection] subdivision (12), the Commissioner of Revenue
953 Services, in the commissioner's discretion, may deem and treat such
954 persons as principal and agent, respectively, when the commissioner
955 deems it necessary for the efficient administration of this chapter and
956 may hold such persons jointly and severally liable for the collection
957 and payment of the taxes imposed by this chapter. An unaffiliated
958 person providing fulfillment services, as defined in subparagraph (C)
959 of [subsection (15)] subdivision (15) of subsection (a) of section 12-407,
960 as amended by this act, to a purchaser of such services shall not be
961 treated as a retailer by the commissioner under this section with
962 respect to such activity.

963 Sec. 4. Subdivision (1) of section 12-408 of the general statutes, as
964 amended by section 3 of public act 01-6 of the June special session, is
965 repealed and the following is substituted in lieu thereof (*Effective*
966 *October 1, 2002*):

967 (1) For the privilege of making any sales, as defined in subdivision
968 (2) of subsection (a) of section 12-407, as amended by this act, at retail,
969 in this state for a consideration, a tax is hereby imposed on all retailers
970 at the rate of six per cent of the gross receipts of any retailer from the
971 sale of all tangible personal property sold at retail or from the
972 rendering of any services constituting a sale in accordance with
973 subdivision (2) of subsection (a) of section 12-407, as amended by this
974 act, except, in lieu of said rate of six per cent, (A) at a rate of twelve per
975 cent with respect to each transfer of occupancy, from the total amount
976 of rent received for such occupancy of any room or rooms in a hotel or
977 lodging house for the first period not exceeding thirty consecutive
978 calendar days, (B) with respect to the sale of a motor vehicle to any
979 individual who is a member of the armed forces of the United States
980 and is on full-time active duty in Connecticut and who is considered,
981 under 50 App USC 574, a resident of another state, or to any such
982 individual and the spouse thereof, at a rate of four and one-half per
983 cent of the gross receipts of any retailer from such sales, provided such
984 retailer requires and maintains a declaration by such individual,
985 prescribed as to form by the commissioner and bearing notice to the
986 effect that false statements made in such declaration are punishable, or
987 other evidence, satisfactory to the commissioner, concerning the
988 purchaser's state of residence under 50 App USC 574, (C) (i) with
989 respect to the sales of computer and data processing services occurring
990 on or after July 1, 1997, and prior to July 1, 1998, at the rate of five per
991 cent, on or after July 1, 1998, and prior to July 1, 1999, at the rate of four
992 per cent, on or after July 1, 1999, and prior to July 1, 2000, at the rate of
993 three per cent, on or after July 1, 2000, and prior to July 1, 2001, at the
994 rate of two per cent, on or after July 1, 2001, and prior to July 1, 2002, at
995 the rate of one per cent and on and after July 1, 2002, such services
996 shall be exempt from such tax, (ii) with respect to sales of Internet
997 access services, on and after July 1, 2001, such services shall be exempt
998 from such tax, (D) with respect to the sales of labor that is otherwise
999 taxable under [subdivision (c) or (g) of subsection (2)] subparagraph
1000 (C) or (G) of subdivision (2) of subsection (a) of section 12-407, as
1001 amended by this act, on existing vessels and repair or maintenance

1002 services on vessels occurring on and after July 1, 1999, such services
1003 shall be exempt from such tax, and (E) [with respect to sales of the
1004 renovation and repair services of paving of any sort, painting or
1005 staining, wallpapering, roofing, siding and exterior sheet metal work,
1006 to other than industrial, commercial or income-producing real
1007 property, occurring on or after July 1, 1999, and prior to July 1, 2000, at
1008 the rate of four per cent, with respect to such sales occurring on or after
1009 July 1, 2000, but prior to July 1, 2001, at the rate of two per cent, and on
1010 and after July 1, 2001, sales of such renovation and repair services shall
1011 be exempt from such tax, and (F)] with respect to patient care services
1012 occurring on or after July 1, 1999, and prior to July 1, 2001, and with
1013 respect to such services occurring on or after July 1, 2003, at the rate of
1014 five and three-fourths per cent. The rate of tax imposed by this chapter
1015 shall be applicable to all retail sales upon the effective date of such
1016 rate, except that a new rate which represents an increase in the rate
1017 applicable to the sale shall not apply to any sales transaction wherein a
1018 binding sales contract without an escalator clause has been entered
1019 into prior to the effective date of the new rate and delivery is made
1020 within ninety days after the effective date of the new rate. For the
1021 purposes of payment of the tax imposed under this section, any
1022 retailer of services taxable under [subdivision (2)(i)] subparagraph (I)
1023 of subdivision (2) of subsection (a) of section 12-407, as amended by
1024 this act, who computes taxable income, for purposes of taxation under
1025 the Internal Revenue Code of 1986, or any subsequent corresponding
1026 internal revenue code of the United States, as from time to time
1027 amended, on an accounting basis which recognizes only cash or other
1028 valuable consideration actually received as income and who is liable
1029 for such tax only due to the rendering of such services may make
1030 payments related to such tax for the period during which such income
1031 is received, without penalty or interest, without regard to when such
1032 service is rendered.

1033 Sec. 5. Section 12-408b of the general statutes is repealed and the
1034 following is substituted in lieu thereof (*Effective October 1, 2002*):

1035 On and after July 1, 1991, any person, firm or corporation who pays

1036 a sales and use tax, which tax would not have been due prior to July 1,
1037 1991, pursuant to [subsection] subdivision (39) of section 12-412 of the
1038 general statutes, revision of 1958, revised to January 1991, shall recover
1039 the tax paid by (1) adding such tax to any amounts otherwise payable
1040 under a sales contract approved by the Department of Public Utility
1041 Control pursuant to subsection (d) of section 16-243a₂ and (2)
1042 amortizing such tax, together with interest at the rate paid on front-
1043 loaded payments, over the life of a sales contract approved by the
1044 department pursuant to said subsection (d).

1045 Sec. 6. Section 12-410 of the general statutes is repealed and the
1046 following is substituted in lieu thereof (*Effective October 1, 2002*):

1047 (1) For the purpose of the proper administration of this chapter and
1048 to prevent evasion of the sales tax it shall be presumed that all receipts
1049 are gross receipts that are subject to the tax until the contrary is
1050 established. The burden of proving that a sale of tangible personal
1051 property or service constituting a sale in accordance with [subsection
1052 (2)] subdivision (2) of subsection (a) of section 12-407, as amended by
1053 this act, is not a sale at retail is upon the person who makes the sale
1054 unless such person takes in good faith from the purchaser a certificate
1055 to the effect that the property or service is purchased for resale.

1056 (2) The certificate relieves the seller from the burden of proof only if
1057 taken in good faith from a person who is engaged in the business of
1058 selling tangible personal property or services constituting a sale in
1059 accordance with [subsection (2)] subdivision (2) of subsection (a) of
1060 section 12-407, as amended by this act, and who holds the permit
1061 provided for in section 12-409 and who, at the time of purchasing the
1062 tangible personal property or service: (A) Intends to sell it in the
1063 regular course of business; (B) intends to utilize such personal
1064 property in the delivery of landscaping or horticulture services,
1065 provided the total sale price of all such landscaping and horticulture
1066 services are taxable under this chapter; or (C) is unable to ascertain at
1067 the time of purchase whether the property or service will be sold or
1068 will be used for some other purpose. The burden of establishing that a

1069 certificate is taken in good faith is on the seller. A certificate to the
1070 effect that property or service is purchased for resale taken from the
1071 purchaser by the seller shall be deemed to be taken in good faith if the
1072 tangible personal property or service purchased is similar to or of the
1073 same general character as property or service which the seller could
1074 reasonably assume would be sold by the purchaser in the regular
1075 course of business.

1076 (3) The certificate shall be signed by and bear the name and address
1077 of the purchaser, shall indicate the number of the permit issued to the
1078 purchaser and shall indicate the general character of the tangible
1079 personal property or service sold by the purchaser in the regular
1080 course of business. The certificate shall be substantially in such form as
1081 the commissioner prescribes.

1082 (4) [(a)] (A) If a purchaser who gives a certificate makes any use of
1083 the service or property other than retention, demonstration or display
1084 while holding it for sale in the regular course of business, the use shall
1085 be deemed a retail sale by the purchaser as of the time the service or
1086 property is first used by [him] the purchaser, and the cost of the
1087 service or property to [him] the purchaser shall be deemed the gross
1088 receipts from such retail sale.

1089 [(b)] (B) Notwithstanding the provisions of [subdivision (a) of this
1090 subsection] subparagraph (A) of this subdivision, any use by a
1091 certificated air carrier of an aircraft for purposes other than retention,
1092 demonstration or display while holding it for sale in the regular course
1093 of business shall not be deemed a retail sale by such carrier as of the
1094 time the aircraft is first used by such carrier, irrespective of the
1095 classification of such aircraft on the balance sheet of such carrier for
1096 accounting and tax purposes.

1097 (5) For the purpose of the proper administration of this chapter and
1098 to prevent evasion of the sales tax, a sale of any service described in
1099 [subdivision (i) of subsection (2)] subparagraph (I) of subdivision (2) of
1100 subsection (a) of section 12-407, as amended by this act, shall be

1101 considered a sale for resale only if the service to be resold is an
1102 integral, inseparable component part of a service described in said
1103 [subdivision (i)] subparagraph (I) which is to be subsequently sold by
1104 the purchaser to an ultimate consumer. The purchaser of the service
1105 for resale shall maintain, in such form as the commissioner requires,
1106 records which substantiate: (A) From whom the service was purchased
1107 and to whom the service was sold, (B) the purchase price of the service,
1108 and (C) the nature of the service to demonstrate that the services were
1109 an integral, inseparable component part of a service described in
1110 [subdivision (i) of subsection (2)] subparagraph (I) of subdivision (2) of
1111 subsection (a) of section 12-407, as amended by this act, which was
1112 subsequently sold to a consumer.

1113 Sec. 7. Section 12-411 of the general statutes, as amended by sections
1114 2 and 65 of public act 01-6 of the June special session, is repealed and
1115 the following is substituted in lieu thereof (*Effective October 1, 2002*):

1116 (1) An excise tax is hereby imposed on the storage, acceptance,
1117 consumption or any other use in this state of tangible personal
1118 property purchased from any retailer for storage, acceptance,
1119 consumption or any other use in this state, the acceptance or receipt of
1120 any services constituting a sale in accordance with subdivision (2) of
1121 subsection (a) of section 12-407, as amended by this act, purchased
1122 from any retailer for consumption or use in this state, or the storage,
1123 acceptance, consumption or any other use in this state of tangible
1124 personal property which has been manufactured, fabricated,
1125 assembled or processed from materials by a person, either within or
1126 without this state, for storage, acceptance, consumption or any other
1127 use by such person in this state, to be measured by the sales price of
1128 materials, at the rate of six per cent of the sales price of such property
1129 or services, except, in lieu of said rate of six per cent, (A) at a rate of
1130 twelve per cent of the rent paid for occupancy of any room or rooms in
1131 a hotel or lodging house for the first period of not exceeding thirty
1132 consecutive calendar days, (B) with respect to the storage, acceptance,
1133 consumption or use in this state of a motor vehicle purchased from any
1134 retailer for storage, acceptance, consumption or use in this state by any

1135 individual who is a member of the armed forces of the United States
1136 and is on full-time active duty in Connecticut and who is considered,
1137 under 50 App USC 574, a resident of another state, or to any such
1138 individual and the spouse of such individual at a rate of four and
1139 one-half per cent of the sales price of such vehicle, provided such
1140 retailer requires and maintains a declaration by such individual,
1141 prescribed as to form by the commissioner and bearing notice to the
1142 effect that false statements made in such declaration are punishable, or
1143 other evidence, satisfactory to the commissioner, concerning the
1144 purchaser's state of residence under 50 App USC 574, (C) with respect
1145 to the acceptance or receipt in this state of labor that is otherwise
1146 taxable under [subdivision (c) or (g) of subsection (2)] subparagraph
1147 (C) or (G) of subdivision (2) of subsection (a) of section 12-407, as
1148 amended by this act, on existing vessels and repair or maintenance
1149 services on vessels occurring on and after July 1, 1999, such services
1150 shall be exempt from such tax, (D) (i) with respect to the acceptance or
1151 receipt in this state of computer and data processing services
1152 purchased from any retailer for consumption or use in this state
1153 occurring on or after July 1, 1997, and prior to July 1, 1998, at the rate
1154 of five per cent of such services, on or after July 1, 1998, and prior to
1155 July 1, 1999, at the rate of four per cent of such services, on or after July
1156 1, 1999, and prior to July 1, 2000, at the rate of three per cent of such
1157 services, on or after July 1, 2000, and prior to July 1, 2001, at the rate of
1158 two per cent of such services, on and after July 1, 2001, and prior to
1159 July 1, 2002, at the rate of one per cent of such services and on and after
1160 July 1, 2002, such services shall be exempt from such tax, and (ii) with
1161 respect to the acceptance or receipt in this state of Internet access
1162 services, on or after July 1, 2001, such services shall be exempt from
1163 tax, and (E) with respect to the acceptance or receipt in this state of
1164 patient care services purchased from any retailer for consumption or
1165 use in this state occurring on or after July 1, 1999, and prior to July 1,
1166 2001, and with respect to acceptance or receipt in this state of such
1167 services occurring on or after July 1, 2003, at the rate of five and three-
1168 fourths per cent. [, and (F) with respect to acceptance of the renovation
1169 and repair services of paving of any sort, painting or staining,

1170 wallpapering, roofing, siding and exterior sheet metal work, to other
1171 than industrial, commercial or income-producing real property,
1172 occurring on or after July 1, 1999, and prior to July 1, 2000, at the rate
1173 of four per cent, with respect to such sales occurring on or after July 1,
1174 2000, and prior to July 1, 2001, at the rate of two per cent, and on and
1175 after July 1, 2001, sales of such renovation and repair services shall be
1176 exempt from such tax.]

1177 (2) Every person storing, accepting, consuming or otherwise using
1178 in this state services or tangible personal property purchased from a
1179 retailer for storage, acceptance, consumption or any other use in this
1180 state and every person storing, accepting, consuming or otherwise
1181 using in this state tangible personal property which has been
1182 manufactured, fabricated, assembled or processed from materials
1183 purchased from a retailer by such person, either within or without this
1184 state, for storage, acceptance, consumption or any other use by such
1185 person in this state is liable for the tax. [His] Such person's liability is
1186 not extinguished until the tax has been paid to this state, except that a
1187 receipt from a retailer engaged in business in this state or from a
1188 retailer who is authorized by the commissioner, under such
1189 regulations as [he] the commissioner may prescribe, to collect the tax
1190 and who is, for the purposes of this chapter relating to the use tax,
1191 regarded as a retailer engaged in business in this state, given to the
1192 purchaser pursuant to [subsection] subdivision (3) of this section is
1193 sufficient to relieve the purchaser from further liability for the tax to
1194 which the receipt refers.

1195 (3) Every retailer engaged in business in this state and making sales
1196 of services or of tangible personal property for storage, acceptance,
1197 consumption or any other use in this state, not exempted under this
1198 chapter, shall, at the time of making a sale or, if the storage,
1199 acceptance, consumption or other use is not then taxable hereunder, at
1200 the time the storage, acceptance, consumption or use becomes taxable,
1201 collect the use tax from the purchaser and give to the purchaser a
1202 receipt therefor in the manner and form prescribed by the
1203 commissioner. For the purpose of uniformity of tax collection by the

1204 retailer the tax brackets set forth in [subsection] subdivision (3) of
1205 section 12-408 pertaining to the sales tax shall be employed in the
1206 computation of the tax imposed by this section.

1207 (4) The tax required to be collected by the retailer constitutes a debt
1208 owed to the retailer by the person purchasing tangible personal
1209 property or services from such retailer. The amount of tax, when so
1210 collected, shall be deemed to be a special fund in trust for the state of
1211 Connecticut.

1212 (5) The provisions of [subsection] subdivision (4) of section 12-408
1213 pertaining to the sales tax shall apply with equal force to the use tax.

1214 (6) The tax required to be collected by the retailer from the
1215 purchaser shall be displayed separately from the list price, the price
1216 advertised in the premises, the marked price, or other price on the
1217 sales check or other proof of sales.

1218 (7) Any person violating the provisions of [subsection] subdivision
1219 (3), (5) or (6) of this section shall be fined five hundred dollars for each
1220 offense.

1221 (8) Every retailer selling services or tangible personal property for
1222 storage, acceptance, consumption or any other use in this state shall
1223 register with the commissioner and give the name and address of all
1224 agents operating in this state, the location of all distribution or sales
1225 houses or offices or other places of business in this state and such other
1226 information as the commissioner may require.

1227 (9) For the purpose of the proper administration of this chapter and
1228 to prevent evasion of the use tax and the duty to collect the use tax, it
1229 shall be presumed that services or tangible personal property sold by
1230 any person for delivery in this state is sold for storage, acceptance,
1231 consumption or other use in this state until the contrary is established.
1232 The burden of proving the contrary is upon the person who makes the
1233 sale unless such person takes from the purchaser a certificate to the
1234 effect that the services or property is purchased for resale.

1235 (10) The certificate relieves the person selling the services or
1236 property from the burden of proof only if taken in good faith from a
1237 person who is engaged in the business of selling services or tangible
1238 personal property and who holds the permit provided for by section
1239 12-409 and who, at the time of purchasing the services or tangible
1240 personal property, intends to sell it in the regular course of business or
1241 is unable to ascertain at the time of purchase whether the service or
1242 property will be sold or will be used for some other purpose.

1243 (11) The certificate shall be signed by and bear the name and
1244 address of the purchaser, shall indicate the number of the permit
1245 issued to the purchaser and shall indicate the general character of the
1246 service or tangible personal property sold by the purchaser in the
1247 regular course of business. The certificate shall be substantially in such
1248 form as the commissioner may prescribe.

1249 (12) [(a)] (A) If a purchaser who gives a certificate makes any
1250 storage or use of the service or property other than retention,
1251 demonstration or display while holding it for sale in the regular course
1252 of business, the storage or use is taxable as of the time the service or
1253 property is first so stored or used.

1254 [(b)] (B) Notwithstanding the provisions of [subdivision (a) of this
1255 subsection] subparagraph (A) of this subdivision, any storage or use
1256 by a certificated air carrier of an aircraft for purposes other than
1257 retention, demonstration or display while holding it for sale in the
1258 regular course of business shall not be deemed a taxable storage or use
1259 by such carrier as of the time the aircraft is first stored or used by such
1260 carrier, irrespective of the classification of such aircraft on the balance
1261 sheet of such carrier for accounting and tax purposes.

1262 (13) It shall be presumed that tangible personal property shipped or
1263 brought to this state by the purchaser was purchased from a retailer
1264 for storage, use or other consumption in this state.

1265 (14) For the purpose of the proper administration of this chapter
1266 and to prevent evasion of the use tax, a purchase of any service

1267 described in [subdivision (i) of subsection (2)] subparagraph (I) of
1268 subdivision (2) of subsection (a) of section 12-407, as amended by this
1269 act, shall be considered a sale for resale only if the service to be resold
1270 is an integral, inseparable component part of a service described in
1271 said [subdivision (i)] subparagraph (I) which is to be subsequently sold
1272 by the purchaser to an ultimate consumer. The purchaser of the service
1273 for resale shall maintain, in such form as the commissioner requires,
1274 records which substantiate: (A) From whom the service was purchased
1275 and to whom the service was sold; (B) the purchase price of the service;
1276 and (C) the nature of the service to demonstrate that the service was an
1277 integral, inseparable component part of a service described in
1278 [subdivision (i) of subsection (2)] subparagraph (I) of subdivision (2) of
1279 subsection (a) of section 12-407, as amended by this act, which was
1280 subsequently sold to a consumer.

1281 Sec. 8. Subdivision (5) of section 12-412 of the general statutes is
1282 repealed and the following is substituted in lieu thereof (*Effective*
1283 *October 1, 2002*):

1284 (5) Sales of tangible personal property or services to and by
1285 nonprofit charitable hospitals in this state, nonprofit nursing homes,
1286 nonprofit rest homes and nonprofit residential care homes licensed by
1287 the state pursuant to chapter 368v for the exclusive purposes of such
1288 institutions except any such service transaction as described in
1289 subparagraph [(FF) of subdivision (i) of subsection (2)] (EE) of
1290 subdivision (37) of section 12-407, as amended by this act.

1291 Sec. 9. Subdivision (11) of section 12-412 of the general statutes is
1292 repealed and the following is substituted in lieu thereof (*Effective*
1293 *October 1, 2002*):

1294 (11) Professional, insurance or personal service transactions, except
1295 any such service transaction described in [subsection (2)] subdivision
1296 (2) of subsection (a) of section 12-407, as amended by this act, which
1297 involve sales as inconsequential elements for which no separate
1298 charges are made.

1299 Sec. 10. Subdivision (14) of section 12-412 of the general statutes is
1300 repealed and the following is substituted in lieu thereof (*Effective*
1301 *October 1, 2002*):

1302 (14) (A) Nonreturnable containers and returnable dairy product
1303 containers when sold without the contents to persons who place the
1304 contents in the container and sell the contents together with the
1305 container; (B) containers when sold with the contents if the sales price
1306 of the contents is not required to be included in the measure of the
1307 taxes imposed by this chapter; (C) returnable containers when sold
1308 with the contents in connection with a retail sale of the contents or
1309 when resold for refilling. As used herein, "returnable containers"
1310 means containers of a kind customarily returned by the buyer of the
1311 contents for reuse, but does not mean nonrefillable beverage
1312 containers, as defined in [subsection] subdivision (10) of section 22a-
1313 243. All other containers are "nonreturnable containers". Nothing in
1314 this subsection shall be construed so as to tax the gross receipts from
1315 the sale of or the storage, use or other consumption in this state of bags
1316 in which feed for livestock and poultry, as defined in [subsection]
1317 subdivision (12) of this section, is customarily contained.

1318 Sec. 11. Subparagraph (A) of subdivision (62) of section 12-412 of the
1319 general statutes, as amended by section 30 of public act 01-6 of the June
1320 special session, is repealed and the following is substituted in lieu
1321 thereof (*Effective October 1, 2002*):

1322 (62) (A) Sales of any of the services enumerated in [subdivisions (2)
1323 (i), (2) (k) or (2) (l)] subparagraph (I), (K) or (L) of subdivision (2) of
1324 subsection (a) of section 12-407, as amended by this act, that are
1325 rendered for a business entity affiliated with the business entity
1326 rendering such service in such manner that (i) either business entity in
1327 such transaction owns a controlling interest in the other business
1328 entity, or (ii) a controlling interest in each business entity in such
1329 transaction is owned by the same person or persons or business entity
1330 or business entities.

1331 Sec. 12. Subdivision (67) of section 12-412 of the general statutes, as
1332 amended by section 22 of public act 01-6 of the June special session, is
1333 repealed and the following is substituted in lieu thereof (*Effective*
1334 *October 1, 2002*):

1335 (67) Sales of and the storage, use or other consumption, prior to July
1336 1, 2002, of a new motor vehicle which is exclusively powered by a
1337 clean alternative fuel. As used in this [subsection and subsections (68)
1338 and (69)] subdivision and subdivisions (68) and (69) of this section,
1339 "clean alternative fuel" shall mean natural gas or electricity when used
1340 as a motor vehicle fuel or propane when used as a motor vehicle fuel if
1341 such a vehicle meets the federal fleet emissions standards under the
1342 federal Clean Air Act or any emissions standards adopted by the
1343 Commissioner of Environmental Protection as part of the state's
1344 implementation plan under said act.

1345 Sec. 13. Subdivision (85) of section 12-412 of the general statutes is
1346 repealed and the following is substituted in lieu thereof (*Effective*
1347 *October 1, 2002*):

1348 (85) Sales of any landscaping and horticultural services, window
1349 cleaning services or maintenance services, as described in [subdivision
1350 (i) of subsection (2)] subparagraph (I) of subdivision (37) of subsection
1351 (a) of section 12-407, as amended by this act, on or after July 1, 1994,
1352 which are rendered to a person determined to be eligible for, and
1353 currently receiving, total disability benefits under the Social Security
1354 Act, provided such services are rendered at the residence of such
1355 person.

1356 Sec. 14. Subdivision (100) of section 12-412 of the general statutes is
1357 repealed and the following is substituted in lieu thereof (*Effective*
1358 *October 1, 2002*):

1359 (100) Sales of and the acceptance, use or other consumption of any
1360 service described in [subsection (2)] subdivision (2) of subsection (a) of
1361 section 12-407, as amended by this act, that is accepted, used or
1362 consumed in the development, construction, rehabilitation, renovation

1363 or repair of housing facilities for low and moderate income families
1364 and persons, provided such facilities are situated in Qualified Census
1365 Tracts or Difficult Development Areas as designated by the Secretary
1366 of the United States Department of Housing and Urban Development
1367 and provided, further, that the development of such facilities is
1368 assisted by an allocation of Low Income Housing Tax Credits pursuant
1369 to Section 42 of the Internal Revenue Code. For purposes of this
1370 [subsection] subdivision, (A) "housing facilities" means facilities
1371 having as their primary purpose the provision of safe and adequate
1372 housing and related facilities for low and moderate income families
1373 and persons, notwithstanding that said housing provides other
1374 dwelling accommodations for low and moderate income families; (B)
1375 "related facilities" means those facilities defined in subsection (d) of
1376 section 8-243; and (C) "low and moderate income families" means
1377 those families as defined in subsection (h) of said section 8-243.

1378 Sec. 15. Subdivision (106) of section 12-412 of the general statutes is
1379 repealed and the following is substituted in lieu thereof (*Effective*
1380 *October 1, 2002*):

1381 (106) Sales of services enumerated in subparagraph (J) of
1382 subdivision [(2)(i)] (37) of subsection (a) of section 12-407, as amended
1383 by this act, on or after July 1, 1999, which services are rendered to the
1384 central clearinghouse organized and operated under the direction of
1385 the Department of Public Utility Control, by the public utilities of this
1386 state for receiving and giving the notices required by section 16-349.

1387 Sec. 16. Section 12-412e of the general statutes is repealed and the
1388 following is substituted in lieu thereof (*Effective October 1, 2002*):

1389 (a) The exemption from sales tax with respect to sales of any items
1390 purchased with federal food stamp coupons, as provided in
1391 [subsection] subdivision (57) of section 12-412, shall be applicable to
1392 any such sales occurring on or after October 1, 1986, subject to the
1393 provisions of subsections (b) and (c) of this section.

1394 (b) In accordance with the provisions of Section 1505 of the federal

1395 Food Stamp Act of 1985, and notwithstanding the provisions of section
1396 17b-8, the Commissioner of Social Services shall prepare for
1397 submission by the Governor to the United States Department of
1398 Agriculture, a request for waiver of the requirements under said
1399 Section 1505 concerning collection of state sales tax on the sale of
1400 certain items which may be purchased with food stamp coupons,
1401 including the following as reasons for such waiver, (1) the adverse and
1402 disruptive effect of implementation of such requirements by October 1,
1403 1986, on the food stamp program, and (2) the inadequate time for retail
1404 stores to implement the necessary changes in sales tax collection
1405 procedure. In the event the United States Department of Agriculture
1406 rejects, or has failed to approve, by August 1, 1986, the application for
1407 waiver to be submitted as provided in this subsection, the
1408 Commissioner of Revenue Services, in consultation with the
1409 Commissioner of Social Services, shall prepare and submit a plan,
1410 implementing by October 1, 1986, said provisions of Section 1505 of the
1411 Food Stamp Act of 1985, to the joint standing committee having
1412 cognizance of matters related to finance, revenue and bonding. Within
1413 thirty days after receipt of such plan, said joint standing committee
1414 shall advise the Commissioner of Revenue Services, of its approval,
1415 denial or modifications, if any, of such plan. The Commissioner of
1416 Revenue Services shall take any action necessary to implement such
1417 plan in accordance with the authority under section 12-426.

1418 (c) In the event such request for waiver of requirements in Section
1419 1505 of the Food Stamp Act of 1985, submitted in accordance with
1420 subsection (b) of this section, is approved by the United States
1421 Department of Agriculture prior to October 1, 1986, [subsection]
1422 subdivision (57) of section 12-412 shall be applicable with respect to
1423 such sales occurring on or after the date when waiver of said
1424 requirements is terminated, as acknowledged by the Commissioner of
1425 Revenue Services, and said commissioner shall, not less than sixty
1426 days prior to the date of termination of such waiver, take such action
1427 as deemed necessary to implement compliance with requirements in
1428 said Section 1505 of the Food Stamp Act of 1985, as of the date of such

1429 termination.

1430 Sec. 17. Subsection (a) of section 12-412f of the general statutes is
1431 repealed and the following is substituted in lieu thereof (*Effective*
1432 *October 1, 2002*):

1433 (a) The exemption from sales tax allowed in accordance with
1434 [subsection] subdivision (62) of section 12-412, as amended by this act,
1435 shall be applicable to sales of certain services as provided in said
1436 [subsection] subdivision (62) and additionally, with respect to such
1437 sales of services rendered in the period December 1, 1981, to June 30,
1438 1987, inclusive.

1439 Sec. 18. Section 12-412h of the general statutes is repealed and the
1440 following is substituted in lieu thereof (*Effective October 1, 2002*):

1441 For purposes of the exemptions from sales and use tax under
1442 [subsections] subdivisions (3) and (16) of section 12-412, applicable to
1443 sales for use directly in agricultural production, fabrication of a
1444 finished product to be sold or furnishing of power to an industrial
1445 manufacturing plant, the burden of proving that a sale under said
1446 subsections is not subject to tax is upon the person making such sale
1447 unless such person takes a certificate from the purchaser, in good faith,
1448 to the effect that such sale is for an exempt purpose under the
1449 applicable subsection. Such certificate shall be signed by and bear the
1450 name and address of the manufacturer or producer and shall be on a
1451 form furnished by the commissioner for such purpose.

1452 Sec. 19. Subsection (f) of section 12-415 of the general statutes is
1453 repealed and the following is substituted in lieu thereof (*Effective*
1454 *October 1, 2002*):

1455 (f) Except in the case of fraud, intent to evade this chapter or
1456 authorized regulations, failure to make a return, or claim for additional
1457 amount pursuant to [subsection] subdivision (3) of section 12-418,
1458 every notice of a deficiency assessment shall be mailed within three
1459 years after the last day of the month following the period for which the

1460 amount is proposed to be assessed or within three years after the
1461 return is filed, whichever period expires later. The limitation specified
1462 in this subsection does not apply in case of a sales tax proposed to be
1463 assessed with respect to sales of services or property for the storage,
1464 acceptance, consumption or other use of which notice of a deficiency
1465 assessment has been or is given pursuant to subsection (e) of this
1466 section, subsection (c) of section 12-416, [subsection] subdivision (1) of
1467 section 12-417 and this subsection. The limitation specified in this
1468 subsection does not apply in case of an amount of use tax proposed to
1469 be assessed with respect to storage, acceptance, consumption or other
1470 use of services or property for the sale of which notice of a deficiency
1471 assessment has been or is given pursuant to said subsections and this
1472 subsection.

1473 Sec. 20. Section 12-416b of the general statutes is repealed and the
1474 following is substituted in lieu thereof (*Effective October 1, 2002*):

1475 The Commissioner of Revenue Services is authorized to pay to a
1476 revenue agency of another state an amount not to exceed fifty per cent
1477 of the tax actually collected as the result of an assessment made under
1478 section 12-416 against any purchaser of tangible personal property or
1479 services described in [subsection (2)] subdivision (2) of subsection (a)
1480 of section 12-407, as amended by this act, if said commissioner, in [his]
1481 the commissioner's sole discretion, determines that information
1482 provided by such agency was instrumental in the making of such
1483 assessment.

1484 Sec. 21. Subdivisions (1) and (2) of section 12-417 of the general
1485 statutes are repealed and the following is substituted in lieu thereof
1486 (*Effective October 1, 2002*):

1487 (1) If the commissioner believes that the collection of any tax or any
1488 amount of tax required to be collected and paid to the state or of any
1489 assessment will be jeopardized by delay, the commissioner shall make
1490 an assessment of the tax or amount of tax required to be collected,
1491 noting that fact upon the assessment and serving written notice

1492 thereof, personally or by mail, in the manner prescribed for service of
1493 notice of a deficiency assessment, on the person against whom the
1494 jeopardy assessment is made. Ten days after the date on which such
1495 notice is served on such person, such notice shall constitute a final
1496 assessment except only for such amounts as to which such person has
1497 filed a written petition for reassessment with the commissioner, as
1498 provided in [subsection] subdivision (3) of this section.

1499 (2) The amount assessed is due and payable no later than the tenth
1500 day after service of the notice of assessment, unless on or before such
1501 tenth day the person against whom such assessment is made has
1502 obtained a stay of collection, as provided in [subsection] subdivision
1503 (3) of this section. To the extent that collection has not been stayed, the
1504 commissioner may enforce collection of such tax by using the method
1505 provided in section 12-35 or by using any other method provided for
1506 in the general statutes relating to the enforced collection of taxes,
1507 provided, if the amount of such tax has been definitely fixed, the
1508 amount so fixed shall be assessed and collected, and if the amount of
1509 such tax has not been definitely fixed, the commissioner shall assess
1510 and collect such amount as, in the commissioner's opinion, from the
1511 facts available to the commissioner, is sufficient. If the amount
1512 specified in the notice of jeopardy assessment is not paid on or before
1513 the tenth day after service of notice thereof upon the person against
1514 whom the jeopardy assessment is made, the delinquency penalty and
1515 the interest provided in section 12-419 shall attach to the amount of the
1516 tax or the amount of the tax required to be collected.

1517 Sec. 22. Subsection (c) of section 12-420b of the general statutes is
1518 repealed and the following is substituted in lieu thereof (*Effective*
1519 *October 1, 2002*):

1520 (c) The commissioner may, in the commissioner's sole discretion,
1521 terminate a managed compliance agreement and conduct an audit of
1522 an eligible taxpayer under [subsection] subdivision (1) of section 12-
1523 415, if the eligible taxpayer fails to fulfill any of the terms of a managed
1524 compliance agreement and such failure is materially adverse to the

1525 commissioner and the taxpayer fails to cure such failure not later than
1526 thirty days after the mailing of written notice of such failure by the
1527 commissioner, provided no such notice need be given in the event
1528 such failure is not capable of being cured or the commissioner believes
1529 that the collection of any tax required to be collected and paid to the
1530 state or of any assessment will be jeopardized by delay. Any such
1531 termination shall be effective on the first day of the fourth month
1532 following the month in which notice of such termination is given by
1533 the commissioner to the taxpayer, except that such termination shall
1534 take effect immediately if such failure is not capable of being cured or
1535 if the commissioner believes that the collection of any tax required to
1536 be collected and paid to the state or of any assessment will be
1537 jeopardized by delay.

1538 Sec. 23. Subsections (b) and (c) of section 12-420c of the general
1539 statutes are repealed and the following is substituted in lieu thereof
1540 (*Effective October 1, 2002*):

1541 (b) Such agreement may provide that, upon compliance by the
1542 taxpayer with all the terms of said agreement, in calculating the total
1543 amount of the audit assessment resulting from such managed audit the
1544 first ten thousand dollars of interest and ten per cent of any additional
1545 interest otherwise due under [subsection] subdivision (2) of section 12-
1546 415 shall not be imposed. Any interest accruing after the initial
1547 assessment shall be at the rate of interest specified in [subsection]
1548 subdivision (2) of section 12-415.

1549 (c) The commissioner may, in the commissioner's sole discretion,
1550 terminate a managed audit agreement and conduct an audit of an
1551 eligible taxpayer under [subsection] subdivision (1) of section 12-415,
1552 if the eligible taxpayer fails to fulfill any of the terms of a managed
1553 audit agreement, or if the commissioner believes that a managed audit
1554 should not be conducted for any other reason.

1555 Sec. 24. Subdivision (2) of section 12-425 of the general statutes is
1556 repealed and the following is substituted in lieu thereof (*Effective*

1557 October 1, 2002):

1558 (2) No credit or refund of any amount paid pursuant to section 12-
1559 411 shall be allowed on the ground that the storage, acceptance,
1560 consumption or other use of the services or property is exempted
1561 under [subsection] subdivision (1) of section 12-413, unless in addition
1562 to the overpayment for which the claim is filed the claimant also has
1563 reimbursed [his] the claimant's vendor for the amount of the sales tax
1564 imposed upon [his] the claimant's vendor with respect to the sale of
1565 the property and paid by the vendor to the state.

1566 Sec. 25. Section 12-432b of the general statutes is repealed and the
1567 following is substituted in lieu thereof (*Effective October 1, 2002*):

1568 If any section, subsection, part, clause or phrase in [subsections]
1569 subdivisions (12) and (15) of subsection (a) of section 12-407, as
1570 amended by this act, and section 12-432a is for any reason held to be
1571 invalid or unconstitutional, any section, subsection, part, clause or
1572 phrase in said [subsections] subdivisions (12) and (15) of subsection (a)
1573 of section 12-407, as amended by this act, and section 12-432a not held
1574 to be invalid or unconstitutional shall not be affected and shall remain
1575 in full force and effect.

1576 Sec. 26. Section 3-114k of the general statutes is repealed and the
1577 following is substituted in lieu thereof (*Effective October 1, 2002*):

1578 For the fiscal year ending June 30, 1995, the Comptroller is
1579 authorized to record as revenue for said fiscal year (1) the amount of
1580 federal funds received no later than September 30, 1995, from the
1581 participation of acute care hospitals in the federal Medicaid and
1582 emergency assistance programs, and attributable to the state
1583 appropriation to the Department of Social Services for the fiscal year
1584 ending June 30, 1995, (2) the amount of hospital gross earnings tax
1585 received no later than September 30, 1995, from hospitals under the
1586 provisions of section 12-263b relating to earnings of such hospitals
1587 prior to July 1, 1995, (3) the amount of sales and use tax received no
1588 later than September 30, 1995, for patient care services under the

1589 provisions of [subsection (2)] subdivision (2) of subsection (a) of
1590 section 12-407, as amended by this act, relating to payments for patient
1591 care services prior to July 1, 1995, and (4) any additional amounts to be
1592 received as described in subdivisions (1) to (3), inclusive, of this section
1593 as each such amount is estimated by the Secretary of the Office of
1594 Policy and Management.

1595 Sec. 27. Subdivision (3) of subsection (a) of section 12-458 of the
1596 general statutes is repealed and the following is substituted in lieu
1597 thereof (*Effective October 1, 2002*):

1598 (3) Said tax shall not be payable on such fuel as may have been (A)
1599 sold to the United States, (B) sold to a municipality of this state, (i) for
1600 use by any contractor performing a service for such municipality in
1601 accordance with a contract, provided such fuel is used by such
1602 contractor exclusively for the purposes of and in accordance with such
1603 contract, or (ii) for use exclusively in a school bus, as defined in section
1604 14-275, (C) sold to a municipality of this state, a transit district of this
1605 state, or this state, at other than a retail outlet, for governmental
1606 purposes and for use in vehicles owned and operated, or leased and
1607 operated by such municipality, such transit district or this state, (D)
1608 sold to a person licensed as a distributor in this state under section 12-
1609 456, (E) transferred from storage within this state to some point
1610 without this state, (F) sold to the holder of a permit issued under
1611 section 12-458a for sale or use without this state, (G) sold to the holder
1612 of a permit issued under [subsection] subdivision (63) of section 12-
1613 412, provided (i) such fuel is not used in motor vehicles registered or
1614 required to be registered to operate upon the public highways of this
1615 state, unless such fuel is used in motor vehicles registered exclusively
1616 for farming purposes, (ii) such fuel is not delivered, upon such sale, to
1617 a tank in which such person keeps fuel for personal and farm use, and
1618 (iii) a statement, prescribed as to form by the Commissioner of
1619 Revenue Services and bearing notice to the effect that false statements
1620 made under this section are punishable, that such fuel is used
1621 exclusively for farming purposes, is submitted by such person to the
1622 distributor, (H) sold exclusively to furnish power for an industrial

1623 plant in the actual fabrication of finished products to be sold, or for the
1624 fishing industry, (I) sold exclusively for heating purposes, (J) sold
1625 exclusively to furnish gas, water, steam or electricity, if delivered to
1626 consumers through mains, lines or pipes, (K) sold to the owner or
1627 operator of an aircraft, as defined in section 15-34, exclusively for
1628 aviation purposes, provided (i) for purposes of this subdivision,
1629 "aviation purposes" means for the purpose of powering an aircraft or
1630 an aircraft engine, (ii) such fuel is delivered, upon such sale, to a tank
1631 in which fuel is kept exclusively for aviation purposes, and (iii) a
1632 statement, prescribed as to form by the Commissioner of Revenue
1633 Services and bearing notice to the effect that false statements made
1634 under this section are punishable, that such fuel is used exclusively for
1635 aviation purposes, is submitted by such person to the distributor, (L)
1636 sold to a dealer who is licensed under section 12-462 and whose place
1637 of business is located upon an established airport within this state, or
1638 (M) diesel fuel sold exclusively for use in portable power system
1639 generators that are larger than one hundred fifty kilowatts.

1640 Sec. 28. Section 19a-668 of the general statutes is repealed and the
1641 following is substituted in lieu thereof (*Effective October 1, 2002*):

1642 Notwithstanding section 19a-667, the Office of Health Care Access
1643 may maintain or enter into any contract or contracts with one or more
1644 private entities within available appropriations to deactivate, audit or
1645 consult on any rights, duties or obligations owed to the
1646 uncompensated care pool prior to April 1, 1994, to assist the
1647 Department of Social Services and to assist in the administration of
1648 sections 3-114i and 12-263a to 12-263e, inclusive, subdivisions (2) and
1649 (29) of subsection (a) of section 12-407, as amended by this act,
1650 [subsection] subdivision (1) of section 12-408, as amended by this act,
1651 section 12-408a, subdivision (5) of section 12-412, [subsection]
1652 subdivision (1) of section 12-414, and sections 19a-646, 19a-659 to 19a-
1653 662, inclusive, and 19a-666 to 19a-680, inclusive, on or after April 1,
1654 1994.

1655 Sec. 29. Section 19a-669 of the general statutes is repealed and the

1656 following is substituted in lieu thereof (*Effective October 1, 2002*):

1657 Effective October 1, 1993, and October first of each subsequent year,
1658 the Secretary of the Office of Policy and Management shall determine
1659 and inform the Office of Health Care Access of the maximum amount
1660 of disproportionate share payments and emergency assistance to
1661 families eligible for federal matching payments under the Medical
1662 Assistance Program or the Emergency Assistance to Families Program
1663 pursuant to federal statute and regulations and subdivisions (2) and
1664 (28) of subsection (a) of section 12-407, as amended by this act,
1665 [subsection] subdivision (1) of section 12-408, as amended by this act,
1666 subdivision (5) of section 12-412, section 12-414, sections 19a-649, 19a-
1667 660 and 19a-661 and this section and the actual and anticipated
1668 appropriation to the medical assistance disproportionate share-
1669 emergency assistance account authorized pursuant to sections 3-114i
1670 and 12-263a to 12-263e, inclusive, subdivisions (2) and (29) of
1671 subsection (a) of section 12-407, as amended by this act, [subsection]
1672 subdivision (1) of section 12-408, as amended by this act, section 12-
1673 408a, subdivision (5) of section 12-412, [subsection] subdivision (1) of
1674 section 12-414 and sections 19a-646, 19a-659 to 19a-662, inclusive, and
1675 19a-666 to 19a-680, inclusive, and the amount of emergency assistance
1676 to families' payments to hospitals projected for the year, and the
1677 anticipated amount of any increase in payments made pursuant to any
1678 resolution of any civil action pending on April 1, 1994, in the United
1679 States district court for the district of Connecticut. The Department of
1680 Social Services shall inform the office of any amount of
1681 uncompensated care which the Department of Social Services
1682 determines is due to a failure on the part of the hospital to register
1683 patients for emergency assistance to families, or a failure to bill
1684 properly for emergency assistance to families' patients. If during the
1685 course of a fiscal year the Secretary of the Office of Policy and
1686 Management determines that these amounts should be revised, [he]
1687 the secretary shall so notify the office and the office may modify its
1688 calculation pursuant to section 19a-671 to reflect such revision and its
1689 orders in accordance with section 19a-660, as it deems appropriate and

1690 the Commissioner of Social Services may modify his determination
1691 pursuant to section 19a-671.

1692 Sec. 30. Subsection (d) of section 19a-670 of the general statutes, as
1693 amended by section 3 of public act 01-3 of the June special session, is
1694 repealed and the following is substituted in lieu thereof (*Effective*
1695 *October 1, 2002*):

1696 (d) Nothing in section 3-114i, [subdivisions] subdivision (2) or (29)
1697 of subsection (a) of section 12-407, as amended by this act, [subsection]
1698 subdivision (1) of section 12-408, as amended by this act, section
1699 12-408a, subdivision (5) of section 12-412, [subsection] subdivision (1)
1700 of section 12-414, sections 12-263a to 12-263e, inclusive, sections
1701 19a-646, 19a-659 to 19a-662 or 19a-666 to 19a-680, inclusive, or sections
1702 1, 2, or 38 of public act 94-9* shall be construed to require the
1703 Department of Social Services to pay out more funds than are
1704 appropriated pursuant to said sections.

1705 Sec. 31. Section 19a-671 of the general statutes is repealed and the
1706 following is substituted in lieu thereof (*Effective October 1, 2002*):

1707 The Commissioner of Social Services is authorized to determine the
1708 amount of payments pursuant to sections 19a-670 to 19a-672, inclusive,
1709 for each hospital. The commissioner's determination shall be based on
1710 the advice of the office and the application of the calculation in this
1711 section. For each hospital the Office of Health Care Access shall
1712 calculate the amount of payments to be made pursuant to sections 19a-
1713 670 to 19a-672, inclusive, as follows:

1714 (1) For the period April 1, 1994, to June 30, 1994, inclusive, and for
1715 the period July 1, 1994, to September 30, 1994, inclusive, the office shall
1716 calculate and advise the Commissioner of Social Services of the
1717 amount of payments to be made to each hospital as follows:

1718 (A) Determine the amount of pool payments for the hospital,
1719 including grants approved pursuant to section 19a-168k, in the
1720 previously authorized budget authorization for the fiscal year

1721 commencing October 1, 1993.

1722 (B) Calculate the sum of the result of subparagraph (A) of this
1723 subdivision for all hospitals.

1724 (C) Divide the result of subparagraph (A) of this subdivision by the
1725 result of subparagraph (B) of this subdivision.

1726 (D) From the anticipated appropriation to the medical assistance
1727 disproportionate share-emergency assistance account made pursuant
1728 to sections 3-114i and 12-263a to 12-263e, inclusive, subdivisions (2)
1729 and (29) of subsection (a) of section 12-407, as amended by this act,
1730 [subsection] subdivision (1) of section 12-408, as amended by this act,
1731 section 12-408a, subdivision (5) of section 12-412, [subsection]
1732 subdivision (1) of section 12-414 and sections 19a-646, 19a-659 to 19a-
1733 662, inclusive, and 19a-666 to 19a-680, inclusive, for the quarter
1734 subtract the amount of any additional medical assistance payments
1735 made to hospitals pursuant to any resolution of or court order entered
1736 in any civil action pending on April 1, 1994, in the United States
1737 District Court for the district of Connecticut, and also subtract the
1738 amount of any emergency assistance to families payments projected by
1739 the office to be made to hospitals in the quarter.

1740 (E) The disproportionate share payment shall be the result of
1741 subparagraph (D) of this subdivision multiplied by the result of
1742 subparagraph (C) of this subdivision.

1743 (2) For the fiscal year commencing October 1, 1994, and subsequent
1744 fiscal years, the interim payment shall be calculated as follows for each
1745 hospital:

1746 (A) For each hospital determine the amount of the medical
1747 assistance underpayment determined pursuant to section 19a-659, plus
1748 the actual amount of uncompensated care including emergency
1749 assistance to families determined pursuant to section 19a-659, less any
1750 amount of uncompensated care determined by the Department of
1751 Social Services to be due to a failure of the hospital to enroll patients

1752 for emergency assistance to families, plus the amount of any grants
1753 authorized pursuant to the authority of section 19a-168k.

1754 (B) Calculate the sum of the result of subparagraph (A) of this
1755 subdivision for all hospitals.

1756 (C) Divide the result of subparagraph (A) of this subdivision by the
1757 result of subparagraph (B) of this subdivision.

1758 (D) From the anticipated appropriation made to the medical
1759 assistance disproportionate share-emergency assistance account
1760 pursuant to sections 3-114i and 12-263a to 12-263e, inclusive,
1761 subdivisions (2) and (29) of subsection (a) of section 12-407,
1762 [subsection] subdivision (1) of section 12-408, section 12-408a,
1763 subdivision (5) of section 12-412, [subsection] subdivision (1) of section
1764 12-414 and sections 19a-646, 19a-659 to 19a-662, inclusive, and 19a-666
1765 to 19a-680, inclusive, for the fiscal year, subtract the amount of any
1766 additional medical assistance payments made to hospitals pursuant to
1767 any resolution of or court order entered in any civil action pending on
1768 April 1, 1994, in the United States District Court for the district of
1769 Connecticut, and also subtract any emergency assistance to families
1770 payments projected by the office to be made to the hospitals for the
1771 year.

1772 (E) The disproportionate share payment shall be the result of
1773 subparagraph (D) of this subdivision multiplied by the result of
1774 subparagraph (C) of this subdivision.

1775 Sec. 32. Section 19a-672 of the general statutes is repealed and the
1776 following is substituted in lieu thereof (*Effective October 1, 2002*):

1777 The funds appropriated to the medical assistance disproportionate
1778 share-emergency assistance account pursuant to sections 3-114i and 12-
1779 263a to 12-263e, inclusive, subdivisions (2) and (29) of subsection (a) of
1780 section 12-407, as amended by this act, [subsection] subdivision (1) of
1781 section 12-408, as amended by this act, section 12-408a, subdivision (5)
1782 of section 12-412, [subsection] subdivision (1) of section 12-414 and

1783 sections 19a-646, 19a-659 to 19a-662, inclusive, and 19a-666 to 19a-680,
1784 inclusive, shall be used by said account to make disproportionate share
1785 payments to hospitals, including grants to hospitals pursuant to
1786 section 19a-168k, and to make emergency assistance to families
1787 payments to hospitals. In addition, the medical assistance
1788 disproportionate share-emergency assistance account may utilize a
1789 portion of these funds to make outpatient payments as the Department
1790 of Social Services determines appropriate or to increase the standard
1791 medical assistance payments to hospitals if the Department of Social
1792 Services determines it to be appropriate to settle any civil action
1793 pending on April 1, 1994, in the United States District Court for the
1794 district of Connecticut. Notwithstanding any other provision of the
1795 general statutes, the Department of Social Services shall not be
1796 required to make any payments pursuant to sections 3-114i and 12-
1797 263a to 12-263e, inclusive, subdivisions (2) and (29) of subsection (a) of
1798 section 12-407, as amended by this act, [subsection] subdivision (1) of
1799 section 12-408, as amended by this act, section 12-408a, subdivision (5)
1800 of section 12-412, [subsection] subdivision (1) of section 12-414 and
1801 sections 19a-646, 19a-659 to 19a-662, inclusive, and 19a-666 to 19a-680,
1802 inclusive, in excess of the funds available in the medical assistance
1803 disproportionate share-emergency assistance account.

1804 Sec. 33. Section 22a-9 of the general statutes is repealed and the
1805 following is substituted in lieu thereof (*Effective October 1, 2002*):

1806 The commissioner shall act as the official agent of the state in all
1807 matters affecting the purposes of this title and sections 2-20a, 5-238a,
1808 subsection (c) of section 7-131a, sections 7-131e, 7-131f, subsection (a)
1809 of section 7-131g, sections 7-131i, 7-131l, subsection (a) of section 10-
1810 320b, subdivisions (51) and (52) of section 12-81, [subsections]
1811 subdivisions (21) and (22) of section 12-412, subsections (a) and (b) of
1812 section 13a-94, sections 13a-142a, 13b-56, 13b-57, 14-100b, 14-164c,
1813 chapter 268, sections 16a-103, 22-91c, 22-91e, subsections (b) and (c) of
1814 section 22a-148, section 22a-150, subdivisions (2) and (3) of section 22a-
1815 151, sections 22a-153, 22a-154, 22a-155, 22a-156, 22a-158, chapter 446c,
1816 sections 22a-295, 22a-300, 22a-308, 22a-416, chapters 446h to 446k,

1817 inclusive, chapters 447 and 448, sections 23-35, 23-37a, 23-41, chapter
1818 462, section 25-34, chapter 477, subsection (b) of section 25-128,
1819 subsection (a) of section 25-131, chapters 490 and 491 and sections 26-
1820 257, 26-297, 26-303 and 47-46a, under any federal laws now or
1821 hereafter to be enacted and as the official agent of any municipality,
1822 district, region or authority or other recognized legal entity in
1823 connection with the grant or advance of any federal or other funds or
1824 credits to the state or through the state, to its political subdivisions.

1825 Sec. 34. Subsection (a) of section 26-82 of the general statutes is
1826 repealed and the following is substituted in lieu thereof (*Effective*
1827 *October 1, 2002*):

1828 (a) No person shall hunt, pursue, wound or kill any deer or sell or
1829 offer for sale or have in possession the flesh of any deer captured or
1830 killed in this state, or have in possession the flesh of any deer from any
1831 other state or country unless it is properly tagged as required by such
1832 state or country except as provided by the terms of this chapter or
1833 regulations adopted pursuant thereto, and except that any landowner
1834 or primary lessee of land owned by such landowner or the husband or
1835 wife or any lineal descendant of such landowner or lessee or any
1836 designated agent of such landowner or lessee may kill deer with a
1837 shotgun, rifle or bow and arrow provided a damage permit has first
1838 been obtained from the commissioner and such person has not been
1839 convicted for any violation of section 26-82, 26-85, 26-86a, 26-86b or 26-
1840 90 or subsection (b) of section 26-86a-2 of the regulations of
1841 Connecticut state agencies within three years preceding the date of
1842 application. Upon the receipt of an application, on forms provided by
1843 the commissioner and containing such information as said
1844 commissioner may require, from any landowner who has or whose
1845 primary lessee has an actual or potential gross annual income of
1846 twenty-five hundred dollars or more from the commercial cultivated
1847 production of grain, forage, fruit, vegetables, flowers, ornamental
1848 plants or Christmas trees and who is experiencing an actual or
1849 potential loss of income because of severe damage by deer, the
1850 commissioner shall issue not more than six damage permits without

1851 fee to such landowner or the primary lessee of such landowner, or the
1852 wife, husband, lineal descendant or designated agent of such
1853 landowner or lessee. The application shall be notarized and signed by
1854 all landowners or by the landowner or a lessee to whom a farmer tax
1855 exemption permit has been issued pursuant to [subsection]
1856 subdivision (63) of section 12-412. Such damage permit shall be valid
1857 through October thirty-first of the year in which it is issued and may
1858 specify the hunting implement or shot size or both which shall be used
1859 to take such deer. The commissioner may at any time revoke such
1860 permit for violation of any provision of this section or for violation of
1861 any regulation pursuant thereto or upon the request of the applicant.
1862 Notwithstanding the provisions of section 26-85, the commissioner
1863 may issue a permit to any landowner or primary lessee of land owned
1864 by such landowner or the husband or wife or any lineal descendant of
1865 such landowner or lessee and to not more than three designated agents
1866 of such landowner or lessee to use a jacklight for the purpose of taking
1867 deer when it is shown, to the satisfaction of the commissioner, that
1868 such deer is causing damage which cannot be reduced during the
1869 daylight hours between sunrise and one-half hour after sunset on the
1870 land of such landowner. The commissioner may require notification as
1871 specified on such permit prior to its use. Any deer killed in accordance
1872 with the provisions of this section shall be the property of the owner of
1873 the land upon which the same has been killed, but shall not be sold,
1874 bartered, traded or offered for sale, and the person who kills any such
1875 deer shall tag and report each deer killed, as provided in section 26-
1876 86b. Upon receipt of the report required by section 26-86b, the
1877 commissioner shall issue an additional damage permit to the person
1878 making such report. Any deer killed otherwise than under the
1879 conditions provided for in this chapter or regulations adopted
1880 pursuant thereto shall remain the property of the state and may be
1881 disposed of by the commissioner at [his] the commissioner's discretion
1882 to any state institution or may be sold and the proceeds of such sale
1883 shall be remitted to the State Treasurer, who shall apply the same to
1884 the General Fund, and no person, except the commissioner, shall retail,
1885 sell or offer for sale the whole or any part of any such deer. No person

1886 shall be a designated agent of more than one landowner or primary
1887 lessee in any calendar year. No person shall make, set or use any trap,
1888 snare, salt lick, bait or other device for the purpose of taking, injuring
1889 or killing any deer, nor shall any person hunt, pursue or kill deer being
1890 pursued by any dog, whether or not such dog is owned or controlled
1891 by [him] such person, except that no person shall be guilty of a
1892 violation under this section when such a deer is struck by a motor
1893 vehicle operated by [him] such person. No person shall use or allow
1894 any dog in [his] such person's charge to hunt, pursue or kill deer. No
1895 permit shall be issued when in the opinion of the commissioner the
1896 public safety may be jeopardized.

1897 Sec. 35. Subsection (a) of section 32-305 of the general statutes, as
1898 amended by section 5 of public act 01-6 of the June special session, is
1899 repealed and the following is substituted in lieu thereof (*Effective*
1900 *October 1, 2002*):

1901 (a) The Commissioner of Revenue Services shall segregate (1) one
1902 and one-half per cent of the gross receipts from sales within the
1903 meaning of [subdivision (h) of subsection (2)] subparagraph (H) of
1904 subdivision (2) of subsection (a) of section 12-407, as amended by this
1905 act, by any hotel or lodging house located in any municipality having a
1906 population of less than sixty-five thousand, (2) three and one-half per
1907 cent of the gross receipts from such sales in any municipality having a
1908 population of sixty-five thousand or more but less than seventy-five
1909 thousand, and (3) four and one-half per cent of the gross receipts from
1910 such sales in any municipality having a population of seventy-five
1911 thousand or more, provided the commissioner shall segregate three
1912 and one-half per cent of the gross receipts from such sales in the
1913 municipality having the most popular tourist attraction in the state, as
1914 determined by the Office of Tourism, if such municipality has a
1915 population of less than sixty-five thousand.

1916 Sec. 36. Subsection (b) of section 51-164n of the general statutes, as
1917 amended by section 5 of public act 01-186, is repealed and the
1918 following is substituted in lieu thereof (*Effective October 1, 2002*):

1919 (b) Notwithstanding any provision of the general statutes to the
1920 contrary, any person who is alleged to have committed (1) a violation
1921 under the provisions of section 1-9, 1-10, 1-11, 4b-13, 7-13, 7-14, 7-18, 7-
1922 35, 7-41, 7-83, 7-104, 7-283, 7-325, 7-393, 8-25, 8-27, 9-63, 9-296, 9-305, 9-
1923 322, 9-350, 10-193, 10-197, 10-198, 10-230, 10-251, 10-254, 12-52, 12-
1924 170aa, 12-292, 12-326g, [subsection] subdivision (4) of section 12-408,
1925 [subsection] subdivision (3), (5) or (6) of section 12-411, section 12-435c,
1926 12-476a, 12-476b, 12-487, 13a-71, 13a-107, 13a-113, 13a-114, 13a-115,
1927 13a-117b, 13a-123, 13a-124, 13a-139, 13a-140, 13a-143b, 13a-247, 13a-
1928 253, subsection (f) of section 13b-42, section 13b-90, 13b-221, 13b-224,
1929 13b-292, 13b-336, 13b-337, 13b-338, 13b-410a, 13b-410b, 13b-410c,
1930 subsection (a), (b) or (c) of section 13b-412, section 13b-414, subsection
1931 (d) of section 14-12, section 14-20a, 14-27a, subsection (e) of section 14-
1932 34a, subsection (d) of section 14-35, section 14-43, 14-49, 14-50a, 14-58,
1933 subsection (b) of section 14-66, section 14-66a, 14-66b, 14-67a,
1934 subsection (f) of section 14-80h, section 14-97a, section 14-100b, 14-
1935 103a, 14-106a, 14-106c, 14-146, 14-152, 14-153, 14-163b, a first violation
1936 as specified in subsection (f) of section 14-164i, section 14-219 specified
1937 in subsection (e) of said section, subsection (b) of section 14-227a,
1938 section 14-240, 14-249, 14-250, subsection (a), (b) or (c) of section 14-
1939 261a, section 14-262, 14-264, 14-267a, 14-269, 14-270, 14-275a, 14-278,
1940 14-279, subsection (e) of section 14-283, section 14-291, 14-293b, 14-319,
1941 14-320, 14-321, 14-325a, 14-326, 14-330, 14-332a, subdivision (1), (2) or
1942 (3) of section 14-386a, section 15-33, subsection (a) of section 15-115,
1943 section 16-256, 16-256e, 16a-15, 16a-22, subsection (a) or (b) of section
1944 16a-22h, section 17a-24, 17a-145, 17a-149, 17a-152, 17a-465, 17a-642,
1945 17b-124, 17b-131, 17b-137, 17b-407, 17b-451, 17b-734, subsection (b) of
1946 section 17b-736, 19a-30, 19a-33, 19a-39, 19a-87, subsection (b) of section
1947 19a-87a, section 19a-91, 19a-105, 19a-107, 19a-108, 19a-215, 19a-219,
1948 19a-222, 19a-224, 19a-286, 19a-287, 19a-297, 19a-301, 19a-309, 19a-335,
1949 19a-336, 19a-338, 19a-339, 19a-340, 19a-425, 19a-502, 20-7a, 20-14, 20-
1950 158, 20-231, 20-257, 20-265, 20-324e, subsection (a) of section 20-341,
1951 section 20-341l, 20-597, 20-608, 20-610, 21-30, 21-38, 21-39, 21-43, 21-47,
1952 21-48, 21-63, 21-76a, 21a-21, 21a-25, 21a-26, 21a-30, 21a-31, subsection
1953 (a) of section 21a-37, section 21a-46, 21a-61, 21a-63, 21a-77, subsection

1954 (b) of section 21a-79, section 21a-85, 21a-154, 21a-159, 21a-201, 21a-211,
1955 22-13, 22-14, 22-15, 22-16, 22-29, 22-34, 22-35, 22-36, 22-37, 22-38, 22-39,
1956 22-39a, 22-39b, 22-39c, 22-39d, 22-39e, 22-49, 22-54, 22-61, 22-89, 22-90,
1957 22-98, 22-99, 22-100, 22-111o, 22-123, 22-279, 22-280a, 22-318a, 22-320h,
1958 22-324a, 22-326, 22-342, subsection (b) or (e) of section 22-344, section
1959 22-359, 22-366, 22-391, 22-413, 22-414, 22-415, 22a-66a, 22a-246,
1960 subsection (a) of section 22a-250, subsection (e) of section 22a-256h,
1961 section 22a-449, 22a-461, 23-37, 23-38, 23-46, 23-61b, subsection (a) or
1962 (b) of section 23-65, section 25-37, 25-40, 26-19, 26-21, 26-31, 26-40, 26-
1963 40a, 26-49, 26-54, 26-59, 26-61, 26-64, 26-79, 26-89, 26-97, 26-107, 26-117,
1964 26-128, 26-131, 26-132, 26-138, 26-141, 26-207, 26-215, 26-221, 26-222, 26-
1965 224a, 26-227, 26-230, 26-234, 26-267, 26-269, 26-294, 28-13, 29-6a, 29-109,
1966 29-161a, 29-161b, 29-198, 29-210, 29-243, 29-277, 29-316, 29-318, 29-341,
1967 29-381, 30-48a, 30-86a, 31-3, 31-10, 31-11, 31-12, 31-13, 31-14, 31-15, 31-
1968 16, 31-18, 31-23, 31-24, 31-25, 31-28, 31-32, 31-36, 31-38, 31-38a, 31-40,
1969 31-44, 31-47, 31-48, 31-51, 31-51k, 31-52, 31-52a, 31-54, subsection (a) or
1970 (c) of section 31-69, section 31-70, 31-74, 31-75, 31-76, 31-76a, 31-89b, 31-
1971 134, subsection (g) of section 31-273, section 31-288, 36a-787, 42-230, 44-
1972 3, 45a-450, 45a-634, 45a-658, subdivision (13) or (14) of section 46a-54,
1973 section 46a-59, 46b-22, 46b-24, 46b-34, 47-34a, 47-47, 49-8a, 49-16, 53-
1974 133, subsection (a) or (b) of section 53-211, section 53-212a, 53-249a, 53-
1975 252, 53-264, 53-301, 53-302a, 53-303e, 53-311a, 53-321, 53-322, 53-323, 53-
1976 331, 53-344 or 53-450, or (2) a violation under the provisions of chapter
1977 268, or (3) a violation of any regulation adopted in accordance with the
1978 provisions of section 12-484, 12-487 or 13b-410, shall follow the
1979 procedures set forth in this section.

1980 Sec. 37. Subsections (f) and (g) of section 12-157 of the general
1981 statutes are repealed and the following is substituted in lieu thereof
1982 (*Effective October 1, 2002*):

1983 (f) Within sixty days after such sale, the collector shall cause to be
1984 published in a newspaper having a daily general circulation in the
1985 town in which the real property is located, and shall send by certified
1986 mail, return receipt requested, to the delinquent taxpayer and each
1987 mortgagee, lienholder and other record encumbrancer whose interest

1988 in such property is affected by such sale, a notice stating the date of the
1989 sale, the name and address of the purchaser, the amount the purchaser
1990 paid for the property and the date the redemption period will expire.
1991 The notice shall include a statement that if redemption does not take
1992 place by the date stated and in the manner provided by law, the
1993 delinquent taxpayer, and all mortgagees, lienholders and other record
1994 encumbrancers who have received actual or constructive notice of such
1995 sale as provided by law, that their respective titles, mortgages, liens
1996 and other encumbrances in such property shall be extinguished. Not
1997 later than six months after the date of the sale or within sixty days if
1998 the property was abandoned or meets other conditions established by
1999 ordinance adopted by the legislative body of the town, if the
2000 delinquent taxpayer, mortgagee, lienholder or other record
2001 encumbrancer whose interest in the property will be affected by such
2002 sale, pays or tenders to the collector, the amount of taxes, interest and
2003 charges which were due and owing at the time of the sale together
2004 with interest on the total purchase price paid by the purchaser at the
2005 rate of eighteen per cent per annum from the date of such sale, such
2006 deed, executed pursuant to subsection (e) of this section, shall be
2007 delivered to the collector by the town clerk for cancellation and the
2008 collector shall provide a certificate of satisfaction to the person paying
2009 or tendering the money who, if not the person whose primary duty it
2010 was to pay the tax or taxes, shall have a claim against the person
2011 whose primary duty it was to pay such tax or taxes for the amount so
2012 paid, and may add the same to any claim for which he has security
2013 upon the property sold, provided the certificate of satisfaction is
2014 recorded on the land records but the interests of other persons in the
2015 property shall not be affected. Within ten days of receipt of such
2016 amounts in redemption of the levied property, the collector shall notify
2017 the purchaser by certified mail, return receipt requested, that the
2018 property has been redeemed and shall tender such payment, together
2019 with the amount held pursuant to subparagraph (A) of subdivision (1)
2020 of subsection (i) of this section, if any, to the purchaser. If the purchase
2021 money and interest are not paid within such [year] redemption period,
2022 the deed shall be recorded and have full effect.

2023 (g) During the redemption period, the purchaser or the municipality
2024 shall have a sufficient insurable interest in buildings and
2025 improvements upon such property to insure them against fire and
2026 other risk of physical loss, and may petition the Superior Court for the
2027 appointment of a receiver or for other equitable relief if there shall be
2028 imminent danger of damage or destruction thereto or imminent
2029 danger of injury to persons or to other property resulting from
2030 conditions thereon or on adjoining properties. The purchaser or the
2031 municipality shall not be liable to any person, or subjected to forfeiture
2032 of their interest, solely by reason of acquisition by the person of the tax
2033 deed, for any condition existing or occurrence upon such property or
2034 adjoining public sidewalks and streets, or for any failure to act to
2035 remedy or investigate any such condition or occurrence during such
2036 [one-year] redemption period. The expenses of any receiver appointed
2037 on the application of such purchaser or municipality in excess of any
2038 rents or profits paid to the receiver shall be added to the amount of the
2039 purchase money and interest required to be paid or tendered by any
2040 person to the purchaser or municipality for the collector's deed and
2041 paid to the party that incurred such expenses.

2042 Sec. 38. Subdivision (1) of subsection (d) of section 12-733 of the
2043 general statutes is repealed and the following is substituted in lieu
2044 thereof (*Effective October 1, 2002*):

2045 (d) (1) If a taxpayer fails to comply with the requirements of section
2046 12-727 by not reporting a change or correction by the United States
2047 Internal Revenue Service or other competent authority increasing, in
2048 the case of an individual, the individual's federal adjusted gross
2049 income or, in the case of a trust or estate, its federal taxable income, or
2050 by not reporting a change or correction which is treated in the same
2051 manner as if it were a deficiency for federal income tax purposes, or by
2052 not filing an amended return, a notice of a proposed deficiency
2053 assessment may be mailed to the taxpayer at any time. The provisions
2054 of [the preceding sentence] this subdivision shall also apply if an
2055 individual's computation of tax under Section 1341(a)(4) or (5) of the
2056 Internal Revenue Code is changed or corrected by the United States

2057 Internal Revenue Service or other competent authority, and the
2058 individual fails to comply with the requirements of section 12-727.

2059 Sec. 39. Subdivision (1) of subsection (e) of section 12-733 of the
2060 general statutes is repealed and the following is substituted in lieu
2061 thereof (*Effective October 1, 2002*):

2062 (e) (1) If the taxpayer, pursuant to section 12-727, reports a change
2063 or correction by the United States Internal Revenue Service or other
2064 competent authority increasing, in the case of an individual, the
2065 individual's federal adjusted gross income or, in the case of a trust or
2066 estate, its federal taxable income or reports a change or correction
2067 which is treated in the same manner as if it were a deficiency for
2068 federal income tax purposes, or files an amended return, the
2069 assessment, if not deemed to have been made upon the filing of the
2070 report or amended return, may be made at any time not later than
2071 three years after such report or amended return is filed. The provisions
2072 of [the preceding sentence] this subdivision shall also apply if an
2073 individual's computation of tax under Section 1341(a)(4) or (5) of the
2074 Internal Revenue Code is changed or corrected by the United States
2075 Internal Revenue Service or other competent authority, and the
2076 individual, pursuant to section 12-727, reports the change or
2077 correction.

2078 Sec. 40. Section 12-62g of the general statutes is repealed and the
2079 following is substituted in lieu thereof (*Effective October 1, 2002*):

2080 In conjunction with each municipal revaluation of property in
2081 accordance with section 12-62, each municipality shall increase (1) the
2082 amount of the exemption granted pursuant to subdivisions (19), (20),
2083 (21), (22), (23), (24), (25) and (26) of section 12-81, and (2) the amount of
2084 the exemption that each municipality may allow pursuant to section
2085 12-81f, for such year and for each subsequent assessment year by
2086 multiplying the amount of exemption in each of said [subsection]
2087 subdivisions by a multiplier determined by dividing the net taxable
2088 grand list for such year of revaluation by the net taxable grand list of

2089 the last year prior to such revaluation.

2090 Sec. 41. Subsection (b) of section 3-13b of the general statutes is
2091 repealed and the following is substituted in lieu thereof (*Effective*
2092 *October 1, 2002*):

2093 (b) The Governor shall designate one of the members to be
2094 chairperson of the council to serve as such at the Governor's pleasure.
2095 The Treasurer shall serve as secretary of said council. A majority of the
2096 members of the council then in office [will] shall constitute a quorum
2097 for the transaction of any business, and action shall be by the vote of a
2098 majority of the members present at a meeting. Votes by members on
2099 investment policies shall be recorded in the minutes of each meeting.
2100 Members of said council shall not be compensated for their services
2101 but shall be reimbursed for all necessary expenses incurred in the
2102 performance of their duties as members of said council. The council
2103 shall meet at least once during each calendar quarter and at such other
2104 times as the chairperson deems necessary or upon the request of a
2105 majority of the members in office. Special meetings shall be held at the
2106 request of such majority after notice in accordance with the provisions
2107 of section 1-225. Any member who fails to attend three consecutive
2108 meetings or who fails to attend fifty per cent of all meetings held
2109 during any calendar year shall be deemed to have resigned from office.

2110 Sec. 42. Subdivision (2) of subsection (b) of section 3-13l of the
2111 general statutes is repealed and the following is substituted in lieu
2112 thereof (*Effective October 1, 2002*):

2113 (2) "Finder's fee" does not mean [compensation] (A) (i)
2114 compensation earned for the rendering of investment services, as
2115 defined in subsection (f) of section 9-333n, or for acting as a licensed
2116 real estate broker or real estate sales person under the provisions of
2117 section 20-312, or under a comparable statute of the jurisdiction in
2118 which the subject property is located, or (ii) marketing fees or due
2119 diligence fees earned by the payee in connection with the offer, sale or
2120 purchase of any security or investment interest, in accordance with

2121 criteria prescribed under subparagraph (ii) of subparagraph (C) of
2122 subdivision (3) of this subsection, [and] (B) compensation paid to (i)
2123 persons who are investment professionals engaged in the ongoing
2124 business of representing investment services providers, or (ii) [paid to]
2125 third parties for services connected to the issuance of debt by the state,
2126 any political subdivision of the state or any quasi-public agency, as
2127 defined in section 1-120, as amended, and [as] (C) any compensation
2128 which is so defined by the regulations adopted under subparagraph
2129 (C)(ii) of subdivision (3) of this subsection, or any compensation which
2130 meets criteria prescribed by the Treasurer until such regulations are
2131 adopted. As used in this section, "offer" and "sale" have the meaning
2132 provided in section 36b-3.

2133 Sec. 43. Section 12-59 of the general statutes is repealed and the
2134 following is substituted in lieu thereof (*Effective October 1, 2002*):

2135 The whole property in this state of each corporation organized
2136 under the law of this state, whose stock is not liable to taxation, and
2137 which is not required to pay a direct tax to this state in lieu of other
2138 taxes, and whose property is not expressly exempt from taxation, and
2139 the whole property in this state of each corporation organized under
2140 the law of any other state or country, including each foreign municipal
2141 electric utility, shall be set in the grand list and shall be liable to
2142 taxation in the same manner as the property of individuals. The
2143 stockholders of any corporation, the whole property of which is
2144 assessed and taxed in its name, shall be exempt from assessment or
2145 taxation for their stock therein. As used in this section, "foreign
2146 municipal electric utility" [,] means a town, city, borough or any
2147 municipal corporation, department or agency thereof, of a state other
2148 than this state, whether or not separately incorporated, which is
2149 authorized under the laws of the state in which it is organized or
2150 resident to generate and transmit electric energy and which holds
2151 property in this state.

2152 Sec. 44. Subdivision (3) of subsection (k) of section 12-218 of the
2153 general statutes is repealed and the following is substituted in lieu

2154 thereof (*Effective October 1, 2002*):

2155 (3) Any taxpayer which is described in subdivision (1) of this
2156 subsection and seventy-five per cent or more of whose total gross
2157 receipts, as described in subdivision (3) of subsection (c) of this section,
2158 during the income year are from the sale of tangible personal property
2159 directly, or in the case of a subcontractor, indirectly, to the United
2160 States government may elect, on or before the due date or, if
2161 applicable, the extended due date, of its corporation business tax
2162 return for the income year, to apportion its net income within and
2163 without the state by means of the apportionment fraction described in
2164 subsection (c) of this section. The election, if made by the taxpayer,
2165 shall be irrevocable for, and applicable for, five successive income
2166 years.

2167 Sec. 45. Subparagraph (B)(iii) of subdivision (3) of subsection (l) of
2168 section 12-218 of the general statutes is repealed and the following is
2169 substituted in lieu thereof (*Effective October 1, 2002*):

2170 (iii) Gross receipts including, without limitation, advertising
2171 revenue, affiliate fees and subscriber fees, received by a cable network
2172 or a cable television system from video or audio programming in
2173 release to or by such cable network or cable television system for
2174 telecast and other receipts that are derived from the activities referred
2175 to in subdivision (1) of this subsection [(l) of this section] shall be
2176 attributed to this state in the same ratio that the number of subscribers
2177 for such cable network or cable television system located in this state
2178 bears to the total of such subscribers of such cable network or cable
2179 television system inside and outside of the United States. For purpose
2180 of this subparagraph, the number of subscribers of a cable network
2181 shall be measured by reference to the number of subscribers of cable
2182 television systems that are affiliated with such network and that
2183 receive video or audio programming of such network. For purposes of
2184 this subparagraph, the number of subscribers of a cable television
2185 system shall be determined either by reference to the books and
2186 records of the taxpayer or by reference to the applicable year's

2187 published rating statistics located in published surveys, provided the
2188 method used by the taxpayer is consistently used from year to year for
2189 such purpose and fairly represents the taxpayer's activities in the state.

2190 Sec. 46. Subdivision (1) of subsection (a) of section 12-226 of the
2191 general statutes is repealed and the following is substituted in lieu
2192 thereof (*Effective October 1, 2002*):

2193 (a) (1) Any company whose income, profits or earnings are changed,
2194 adjusted or corrected for any income year by any official of the United
2195 States government, or any agency thereof, in any respect affecting the
2196 tax imposed by this part, shall provide notice of such change,
2197 adjustment or correction to the commissioner by filing, on or before the
2198 date that is ninety days after the final determination of such change,
2199 adjustment or correction, or as otherwise required by the
2200 commissioner, an amended return under this chapter, and shall
2201 concede the accuracy of such determination or state wherein it is
2202 erroneous, and thereafter promptly furnish to the commissioner any
2203 information, schedules, records, documents or papers relating to such
2204 change, adjustment or correction as the commissioner requires. The
2205 time for filing such return may be extended by the commissioner upon
2206 due cause shown. If, upon examination, the commissioner finds that
2207 the company is liable for the payment of an additional tax, the
2208 commissioner shall, within a reasonable time from the receipt of such
2209 return, notify the company of the amount of such additional tax,
2210 together with interest thereon computed at the rate of one per cent per
2211 month or fraction thereof from the date when the original tax became
2212 due and payable. Within thirty days of the mailing of such notice, the
2213 company shall pay to the commissioner, in cash or by check, draft or
2214 money order, drawn to the order of the Commissioner of Revenue
2215 Services, the amount of such additional tax and interest. If, upon
2216 examination of such return and related information, the commissioner
2217 finds that the company has overpaid the tax due the state and has not
2218 received from or been allowed by the United States government, or
2219 any agency thereof, a credit or a benefit as a deduction or otherwise,
2220 for or by reason of such overpayment, the State Treasurer shall pay the

2221 company, upon order of the State Comptroller, the amount of such
2222 overpayment. If the commissioner determines that the company's
2223 claim of overpayment is not valid, either in whole or in part, the
2224 commissioner shall mail notice to the company of the proposed
2225 disallowance [in whole or in part] of the claim [to the company] in
2226 whole or in part, which notice shall set forth briefly the commissioner's
2227 findings of fact and the basis of disallowance in each case decided in
2228 whole or in part adversely to the claimant. Sixty days after the date on
2229 which it is mailed, a notice of proposed disallowance shall constitute a
2230 final disallowance except only for such amounts as to which the
2231 company has filed [, as provided in subdivision (2) of this subsection,]
2232 a written protest with the commissioner, as provided in subdivision (2)
2233 of this subsection.

2234 Sec. 47. Subparagraph (B)(iv) of subdivision (40) of section 12-412 of
2235 the general statutes is repealed and the following is substituted in lieu
2236 thereof (*Effective October 1, 2002*):

2237 (iv) Any purchaser liable for tax under [subparagraph] clause (ii) or
2238 (iii) of this [subsection] subparagraph shall not be eligible to make
2239 another purchase under [subparagraph] clause (i) of this
2240 subparagraph.

2241 Sec. 48. Subparagraph (E)(iv) of subdivision (63) of section 12-412 of
2242 the general statutes is repealed and the following is substituted in lieu
2243 thereof (*Effective October 1, 2002*):

2244 (iv) Any applicant liable for tax under [subparagraph] clause (ii) or
2245 (iii) of this [paragraph] subparagraph shall not be eligible to be issued
2246 another permit under [subparagraph] clause (i) of this [subdivision]
2247 subparagraph.

2248 Sec. 49. Section 12-632a of the general statutes is repealed and the
2249 following is substituted in lieu thereof (*Effective October 1, 2002*):

2250 If, for any fiscal year, all of the proposals submitted to the
2251 Commissioner of Revenue Services pursuant to section 12-632, as

2252 amended, claim tax credits in excess of the limit provided for in
2253 subsection [(h)] (i) of said section 12-632, the commissioner on or
2254 before November fifteenth of each year shall prorate the tax credits, as
2255 limited by said subsection (i), for such year among the neighborhood
2256 organizations the programs of which business firms have proposed to
2257 contribute to pursuant to this chapter.

2258 Sec. 50. Subdivision (14) of subsection (a) of section 32-655 of the
2259 general statutes is repealed and the following is substituted in lieu
2260 thereof (*Effective October 1, 2002*):

2261 (14) Pay or reimburse the Office of Policy and Management, the
2262 authority, the university and other affected state agencies and political
2263 subdivisions of the state and any third parties incurring such costs at
2264 the request or with the approval of the state as certified by the
2265 secretary, for project costs of the overall project including, without
2266 limitation, preliminary costs arising prior to July 1, 1999, or costs under
2267 subsection (e) of section 32-605 or sections 32-654, 32-654a, 32-655a, 32-
2268 655b and 32-666a.

2269 Sec. 51. Subparagraph (A) of subdivision (1) of section 32-655a of the
2270 general statutes is repealed and the following is substituted in lieu
2271 thereof (*Effective October 1, 2002*):

2272 (1) (A) The secretary shall designate a project comptroller from the
2273 secretary's senior staff. The project comptroller shall review, certify
2274 and authorize any amount due for payment by the Treasurer on
2275 warrants issued by the State Comptroller and otherwise oversee the
2276 expenditure of all state funds made available for purposes of the
2277 overall project pursuant to public act 00-140*, and shall be responsible
2278 for monitoring the project budget, including cost estimates for site
2279 preparation, infrastructure, improvements and project construction,
2280 the review of all invoices for project costs for conformance to contracts
2281 and budgets, and the receipt and review of all reports from the
2282 independent auditing firm selected by the secretary and the State
2283 Building Inspector, the State Fire Marshal, the architects and

2284 environmental consultants as provided for in this section. The project
2285 comptroller shall be responsible for obtaining all necessary
2286 information and shall monitor all aspects of the planning and
2287 implementation of the overall project, including on-site inspections.
2288 The project comptroller shall prepare and submit to the secretary, the
2289 authority and the Auditors of Public Accounts as of the end of each
2290 quarter during the period of project development a summary of the
2291 reports received by the project comptroller during such quarter and a
2292 summary, by major category, of all expenditures of state funds for
2293 project costs during such quarter, noting any significant variances
2294 against budget.

2295 Sec. 52. Section 13a-25 of the general statutes is repealed and the
2296 following is substituted in lieu thereof (*Effective October 1, 2002*):

2297 Whenever the Chief Justice of the Supreme Court finds that the
2298 number of state referees available for the performance of the duties of
2299 state referees under subsection (c) of section 13a-73, as amended,
2300 sections 13a-74, as amended, and 13a-76, as amended, subsection (d) of
2301 section 32-658 and sections 32-659 and 32-660 [and] is not sufficient to
2302 consider and act upon the acquisition of land and buildings for a
2303 stadium facility and related parking facilities, as defined in section 32-
2304 651, with reasonable promptness, said Chief Justice, upon the
2305 application of the commissioner or the secretary, as the case may be,
2306 may appoint such number of additional state referees as necessary to
2307 expedite the performance of such duties. Such appointments may be
2308 made from time to time and for such period of time, not more than two
2309 months in length, as designated by the Chief Justice. Such additional
2310 state referees shall have the same powers and duties as state referees
2311 appointed under section 52-434, as amended, with respect to the
2312 granting of the approvals and the performance of other duties of state
2313 referees in the acquisition of land and buildings for such expressway,
2314 highway, stadium facility and related parking facilities and shall
2315 receive such reasonable compensation as is determined by the Chief
2316 Justice, and such compensation and expenses incurred in the conduct
2317 of any hearings by such state referees shall be paid as a part of the cost

2318 thereof.

2319 Sec. 53. Subparagraph (A) of subdivision (3) of subsection (b) of
2320 section 12-63 of the general statutes is repealed and the following is
2321 substituted in lieu thereof (*Effective October 1, 2002*):

2322 (A) Group I: Computer and peripheral hardware, including, but not
2323 limited to, personal computers, workstations, terminals, storage
2324 devices, printers, scanners, computer peripherals and networking
2325 equipment:

T1		Depreciated Value
T2	Assessment Year	As Percentage
T3	Following Acquisition	Of Acquisition Cost Basis
T4	First year	Seventy per cent
T5	Second year	Forty per cent
T6	Third year	Twenty per cent
T7	Fourth year <u>and thereafter</u>	Ten per cent

2326 Sec. 54. Subdivision (19) of section 12-412 of the general statutes is
2327 repealed and the following is substituted in lieu thereof (*Effective July*
2328 *1, 2002*):

2329 (19) Sales of and the storage, use or other consumption of (A)
2330 oxygen, blood or blood plasma when sold for medical use in humans
2331 or animals; (B) artificial devices individually designed, constructed or
2332 altered solely for the use of a particular handicapped person so as to
2333 become a brace, support, supplement, correction or substitute for the
2334 bodily structure, including the extremities of the individual, and repair
2335 or replacement parts and repair services rendered to property
2336 described in this subparagraph; (C) artificial limbs, artificial eyes and
2337 other equipment worn as a correction or substitute for any functioning
2338 portion of the body, custom-made wigs or hairpieces for persons with
2339 medically diagnosed total and permanent hair loss as a result of

2340 disease or the treatment of disease, artificial hearing aids when
 2341 designed to be worn on the person of the owner or user, closed circuit
 2342 television equipment used as a reading aid by persons who are
 2343 visually impaired and repair or replacement parts and repair services
 2344 rendered to property described in this subparagraph; (D) canes,
 2345 crutches, walkers, wheel chairs and inclined stairway chairlifts for the
 2346 use of invalids and handicapped persons, and repair or replacement
 2347 parts and repair services to property described in this subparagraph;
 2348 (E) any equipment used in support of or to supply vital life functions,
 2349 including oxygen supply equipment used for humans or animals,
 2350 kidney dialysis machines and any other such device used in necessary
 2351 support of vital life functions, and apnea monitors, and repair or
 2352 replacement parts and repair services rendered to property described
 2353 in this subparagraph; and (F) support hose that is specially designed to
 2354 aid in the circulation of blood and is purchased by a person who has a
 2355 medical need for such hose. Repair or replacement parts are exempt
 2356 whether purchased separately or in conjunction with the item for
 2357 which they are intended, and whether such parts continue the original
 2358 function or enhance the functionality of such item. As used in this
 2359 subdivision, "repair services" means services that are described in
 2360 subparagraph (Q) or [(EE)] (CC) of subdivision [(2)(i)] (37) of section
 2361 12-407, as amended.

This act shall take effect as follows:	
Section 1	<i>January 1, 2003</i>
Sec. 2	<i>October 1, 2002</i>
Sec. 3	<i>October 1, 2002</i>
Sec. 4	<i>October 1, 2002</i>
Sec. 5	<i>October 1, 2002</i>
Sec. 6	<i>October 1, 2002</i>
Sec. 7	<i>October 1, 2002</i>
Sec. 8	<i>October 1, 2002</i>
Sec. 9	<i>October 1, 2002</i>
Sec. 10	<i>October 1, 2002</i>
Sec. 11	<i>October 1, 2002</i>
Sec. 12	<i>October 1, 2002</i>

Sec. 13	<i>October 1, 2002</i>
Sec. 14	<i>October 1, 2002</i>
Sec. 15	<i>October 1, 2002</i>
Sec. 16	<i>October 1, 2002</i>
Sec. 17	<i>October 1, 2002</i>
Sec. 18	<i>October 1, 2002</i>
Sec. 19	<i>October 1, 2002</i>
Sec. 20	<i>October 1, 2002</i>
Sec. 21	<i>October 1, 2002</i>
Sec. 22	<i>October 1, 2002</i>
Sec. 23	<i>October 1, 2002</i>
Sec. 24	<i>October 1, 2002</i>
Sec. 25	<i>October 1, 2002</i>
Sec. 26	<i>October 1, 2002</i>
Sec. 27	<i>October 1, 2002</i>
Sec. 28	<i>October 1, 2002</i>
Sec. 29	<i>October 1, 2002</i>
Sec. 30	<i>October 1, 2002</i>
Sec. 31	<i>October 1, 2002</i>
Sec. 32	<i>October 1, 2002</i>
Sec. 33	<i>October 1, 2002</i>
Sec. 34	<i>October 1, 2002</i>
Sec. 35	<i>October 1, 2002</i>
Sec. 36	<i>October 1, 2002</i>
Sec. 37	<i>October 1, 2002</i>
Sec. 38	<i>October 1, 2002</i>
Sec. 39	<i>October 1, 2002</i>
Sec. 40	<i>October 1, 2002</i>
Sec. 41	<i>October 1, 2002</i>
Sec. 42	<i>October 1, 2002</i>
Sec. 43	<i>October 1, 2002</i>
Sec. 44	<i>October 1, 2002</i>
Sec. 45	<i>October 1, 2002</i>
Sec. 46	<i>October 1, 2002</i>
Sec. 47	<i>October 1, 2002</i>
Sec. 48	<i>October 1, 2002</i>
Sec. 49	<i>October 1, 2002</i>
Sec. 50	<i>October 1, 2002</i>
Sec. 51	<i>October 1, 2002</i>
Sec. 52	<i>October 1, 2002</i>

Sec. 53	<i>October 1, 2002</i>
Sec. 54	<i>July 1, 2002</i>

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill as amended makes only corrections to various statutes and therefore has no fiscal impact.

House "A" and House "B" are both technical in nature and therefore have no fiscal impact.

OLR Amended Bill Analysis

sHB 5735 (as amended by House "A" and "B")*

***AN ACT IMPLEMENTING RECOMMENDATIONS OF THE
LEGISLATIVE COMMISSIONERS FOR TECHNICAL REVISIONS TO
VARIOUS TAX STATUTES***

SUMMARY:

This bill makes technical changes in various tax laws that correct statutory references, remove or update obsolete language, and renumber and reorganize sections.

*House Amendment "A" is technical.

*House Amendment "B" is technical.

EFFECTIVE DATE: October 1, 2002, except for the section that reorganizes, renumbers, and eliminates obsolete language in sales and use tax definitions, which is effective January 1, 2003.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 42 Nay 0